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Regulatory Agenda

Issue No. 55

(The period covered in this Regulatory Agenda is 1 October to 31 December 1995)

1 January 1996

Applications Considered by Public Hearing

Oral Hearings

Recent Hearing Decisions

1. *Foothills Pipe Lines Ltd. - Tolls - RH-1-95*

Reasons for Decision dated October 1995; issued on 26 October 1995.

The Board decided to authorize Foothills to drawdown its balance of deferred income taxes over a period of 10 years, starting 1 January 1996.

Foothills' balance of deferred income taxes was frozen at approximately \$135.8 million, effective 1 January 1992 when the Board approved a change in the methodology used to account for income taxes in the company's cost of service. The hearing was held to consider a report entitled *Feasibility and Financial Impact of Drawing Down all, or a Portion of, Foothills Deferred Income Tax Balance*. The company was directed by the Board to prepare the report in its Reasons for Decision RH-1-93, issued in November 1993. The company filed that report with the Board on 30 September 1994 and it served as the application for this hearing.

The Board estimates that the amortization of deferred taxes should reduce the company's total cost of service by approximately \$24 million per year for each of the 10 years of drawdown. While this cost reduction represents almost 14 percent of Foothills combined annual cost of service, the cost

savings in tolls will be largely offset by an increase in Foothills depreciation rate from two percent to three percent, commencing 1 January 1996.

During the hearing the Board also examined the cost efficiency of Foothills operating arrangements for Zones 6 to 9 and found that they continued to be cost effective.

The Board held a hearing on this matter in Calgary on 11 and 12 September 1995.

2. *TransCanada PipeLines Limited - 1996/1997 Facilities - GH-3-95*

Reasons for Decision dated November 1995; issued on 30 November 1995.

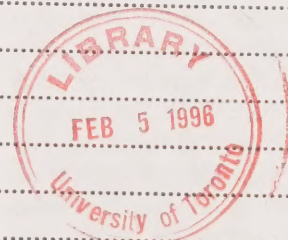
The Board approved the construction of 296 kilometres (184 miles) of new pipeline loop in Saskatchewan, Manitoba

and Ontario. The company will also be installing three new compressors for a total of 84.9 megawatts of new compression, two new meter stations, manifolding at eight compressor stations and associated construction. The company estimates the capital cost of the proposed facilities at \$489 million.

The new facilities will allow TransCanada to meet domestic and export requirements under existing contracts and to provide for 2.8 million cubic metres (99.6 million cubic feet) per day of new firm transportation, of which approximately half will be for domestic customers and half for export. It will also provide an average of 805 000 cubic metres (28.4 million cubic feet) per day of increased firm service tendered.

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National
Energy Board



Preface

The purpose of this quarterly agenda is to provide information on recent hearing reports, advance notice of forthcoming regulatory actions, and information on the status of ongoing proceedings.

Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the National Energy Board Act, R.S.C. 1985, c.N-7, as amended.

A profile of the National Energy Board appears on the last page of this agenda.



The Board held a three day hearing on the application in Sarnia in October 1995.

3. TransCanada PipeLines Limited - 1996 Tolls - RH-2-95

Reasons for Decision on Phase I dated 28 December 1995; issued on 28 December 1995.

Phase I of the hearing covered various Tolls Task Force resolutions, issues related to Firm Service Tendered (FST) and an application for interim tolls to be effective 1 January 1996.

In its decision, the Board approved a number of toll and tariff resolutions which had been resolved by the 1996 Tolls Task Force. The Board approved a revised "suite of services" which is used to calculate the FST Differential. The Board also approved revised interim tolls to be effective 1 January 1996. These tolls are to be based on this decision and a revised rate of return on common equity of 11.25 per cent. On 8 December 1995, the Board established the 1996 rate of return on common equity of 11.25 percent as the first adjustment resulting from its multi-pipeline cost of capital (RH-2-94) decision of April 1995 (refer to item 1 under *Traffic and Toll Matters* on page 9).

On 20 December 1995, TransCanada filed with the Board an *Incentive Cost Recovery and Revenue Sharing Settlement* which applies to the determination of TransCanada's net revenue requirement and resulting tolls for the years 1996 - 1999 inclusive. The Board is seeking the views of parties on the procedure to be followed in respect of the settlement and on whether any issues other than the settlement, remain to be decided in Phase 2. Views of parties are to be provided to the Board by 5 January 1996.

The Board held a four day public hearing on the application in December 1995 in Ottawa.

Hearing Decisions Pending

1. Gas Export Hearing - GH-4-95

The Board held a public hearing on 14 November 1995 in Calgary on five applications to export some 8.3 billion cubic metres (299.7 billion cubic feet) of natural gas for periods ranging from two to 16 years.

The applications that were considered at the hearing were from Altresco Pittsfield, L.P., Crestar Energy, Enron Capital & Trade Resources Corp., Husky Oil Operations Ltd. and Morgan Hydrocarbons Inc./Coastal Gas Marketing Company, joint applicants.

2. Trans Mountain Pipe Line Company Ltd. - 1995-1996 Tolls

On 29 September 1995, Trans Mountain filed an application for approval of tolls for 1995 and 1996. Trans Mountain later filed the *Principles of Settlement* on an incentive toll arrangement negotiated with its principal shippers and the Canadian Association of Petroleum Producers. At the request of the company, all issues except the toll design for 1996 tolls were adjourned sine die pending the filing of a final agreement.

The Board held a three day public hearing in November 1995 in Vancouver to examine toll design matters.

The company is requesting tolls based on a rate of return on common equity of 12.25 percent for 1995 and a deemed common equity ratio of 45 percent, both of which were approved in the Board's multi-pipeline cost of capital hearing (RH-2-94). Trans Mountain has been on interim tolls since 1 January 1995.

On 8 December 1995, the Board established the 1996 rate of return on common equity of 11.25 percent as the first adjustment resulting from its multi-pipeline cost of capital (RH-2-94) decision of April 1995 (refer to item 1 under *Traffic and Toll Matters* on page 9).

Hearing Scheduled

1. Express Pipeline Ltd. - Pipeline Facilities - OH-1-95

The Board will hold a public hearing commencing on 15 January 1996 in Calgary on an application by Express to construct and operate an oil transmission pipeline from Hardisty, Alberta to the international boundary near Wild Horse, Alberta and for related toll and tariff authorizations. The application will be heard by a joint panel consisting of two permanent NEB members and two temporary members nominated by the Minister of the Environment pursuant to the *Canadian Environmental Assessment Act*.

The Canadian portion of the proposed Express Pipeline would consist of approximately 435 kilometres (270 miles) of 610 millimetre (24 inch) diameter pipeline extending south from Hardisty, Alberta to the international border near Wild Horse, Alberta, as well as associated terminaling, storage, and pumping facilities (at an estimated total cost of about \$196 million). On the U.S. side, the pipeline would continue across the State of Montana and terminate near Casper, Wyoming. The pipeline is planned to have an initial capacity of approximately 27 400 cubic metres (172 000 barrels) of crude oil per day, with linefill scheduled to take place by October 1996.

Written Hearings

1. Interprovincial Pipe Line Inc. and Westspur Pipe Line Company Inc. - Facilities Expansion

The Board is holding a written hearing to consider Interprovincial and Westspur's applications to expand their pipeline systems.

Interprovincial is requesting authorization to construct pumping and associated facilities necessary to expand the capacity of its system to allow delivery of an incremental volume of approxi-

mately 18 900 cubic metres (120 000 barrels) per day. Interprovincial also proposes to construct two new tanks at its existing terminal locations in Hardisty, Alberta and Cromer, Manitoba. Interprovincial estimates the expansion to cost \$86 000 000. The planned in-service date is 31 December 1996.

Westspur is requesting authorization to construct 33.4 kilometres (21 miles) of pipeline from its Steelman terminal in Saskatchewan to the international border near North Portal, Saskatchewan. At the international border, an interconnection will be made to a new segment of pipeline to be constructed by Portal Pipe Line Company. The expansion will also include pump unit additions and modifications to existing facilities at Westspur's Steelman pump station. The expansion will increase Westspur's capacity by 7 950 cubic metres (50 000 barrels) per day. Westspur estimates the expansion to cost \$5 250 000. The proposed in-service date is the third quarter of 1996. Westspur's application complements Interprovincial's application.

2. *Trans Québec & Maritimes Pipeline Inc. - 1996 Tolls - RHW-1-96*

The Board is conducting a written hearing on an application from TQM for approval of tolls to be charged on its natural gas transmission system effective 1 January 1996.

TQM is requesting approval of a revenue requirement of \$69.8 million for 1996, which is 9.7 percent higher than was authorized by the Board for 1995. The revenue requirement has been calculated on the basis of a rate of return on equity of 12.25 percent and a common equity ratio of 30 percent. In accordance with the Board's first adjustment resulting from its multi-pipeline cost of capital decision (RH-2-94), TQM estimates that at a rate of return on common equity of 11.25 percent, the revenue requirement would be reduced by \$1.6 million to \$68.2 million.

The company is also seeking Board approval in principle for its proposal to streamline toll revisions, starting in the 1997 Test Year.

Hearing Adjourned

1. *PanCanadian Petroleum Limited - Pipeline Facilities - GHW-1-95*

On 26 June 1995, at the request of PanCanadian, the Board decided to adjourn the hearing *sine die* of an application by PanCanadian to construct a natural gas pipeline under the Ottawa River.

The Board was conducting a written public hearing on the application in which PanCanadian sought approval to construct a natural gas pipeline under the Ottawa River. The proposed pipeline would consist of approximately 14.5 kilometres (8.7 miles) of pipeline running from TransCanada PipeLines Limited's Ottawa sales gate meter station in Gloucester, Ontario to the Avenor newsprint mill in Gatineau, Quebec. The pipeline was intended to transport 900 000 cubic metres (32 million cubic feet) per day of gas to provide service to a cogeneration facility proposed to be constructed on the Avenor site. The estimated cost of the facilities is \$8.4 million.

Hearing Applications Filed

1. *Westcoast Energy Inc. - Pine River Plant and Grizzly Valley Raw Gas Transmission System*

On 28 September 1995, the Board referred to the Federal Court of Appeal an application from Westcoast for the proposed expansion of its Pine River Plant and Grizzly Valley Raw Gas Transmission System in northeastern British Columbia. The proposed expansion also includes the Sukunka Fuel Gas Pipeline, a loop of the Pine River Mainline and modifications to Compressor Station No. 2.

Westcoast requested that because of the Board's ruling in its Reasons for Decision GH-5-94, issued 26 May 1995, on the constitutional question of jurisdic-

tion, that the Board ask for a ruling at the earliest possible time from the Federal Court of Appeal on whether the Board has jurisdiction to hear the Grizzly Valley expansion project application.

Westcoast said in its application that the proposed expansion facilities will provide additional raw gas transmission, processing and mainline transmission capacity on the company's pipeline system to accommodate additional volumes of gas to be produced in the Grizzly Valley resource area.

The application provides for the expansion of Westcoast's existing Pine River Plant rather than construction of a new plant at Tumbler Ridge as proposed in the company's expansion plans filed with the Board in November 1994 (refer to 1 under *Hearing Application Adjourned* on page 4 of the 1 July 1995 issue of the *Regulatory Agenda*).

2. *Westcoast Energy Inc. - 1996 Tolls*

The Board has received an application by Westcoast for tolls the company may charge on its natural gas transmission system effective 1 January 1996.

In its application, Westcoast is requesting, for a typical service movement to the export point near Huntingdon, British Columbia, an overall toll increase of approximately 17 percent over tolls charged in 1995.

The company, in estimating its 1996 cost of service, has used a rate of return on common equity of 11.25 percent. The capital structure utilized in the application includes a common equity component of 35 percent, which is unchanged from 1995.

Public Inquiry

1. *Stress Corrosion Cracking (SCC)*

The Board has released its final List of Issues for its public inquiry into SCC and has decided that the public hearing portion of the inquiry will commence on 15 April 1996 in Calgary.

The Board announced on 20 September 1995 that two types of preparatory work would be conducted prior to the public hearing. The first involved gathering information on the status of research on SCC and the experience of pipeline companies and other regulatory agencies. Secondly, the Board said it would meet with several communities to discuss public concerns.

The Board has now met with 10 different organizations that have a knowledge of SCC. As well, Board representatives

met informally with residents and municipal officials in the areas of Rapid City, Manitoba, and Vermillion Bay, Williamstown and Cardinal, Ontario, which are localities of recent pipeline failures. Board representatives also met with representatives of the Ontario Pipeline Landowners Association. The Board is of the view that these consultations have served the intended purpose of the second type of preparatory work and does not anticipate any additional community consultation prior to the commencement of the hearing in April.

The meeting notes and reports of both the technical and community meetings will amount to several hundred pages and will be available for inspection in the Board's library.

SCC involves a complex process which can result in the formation of cracks on the surface of a buried pipeline. In severe cases, the pipeline can fail if the cracking goes undetected for several years. There have been seven pipeline failures on the TransCanada PipeLines system attributed to SCC since 1985. The Board announced 11 August 1995 that because it is seriously concerned about the increased incidence of SCC it would hold a wide-ranging public inquiry on Canadian oil and gas pipelines.

Other Applications

The Board had, or has, before it a number of applications and other matters that do not require public hearings. Since the 1 October 1995 issue of the *Regulatory Agenda*, the matters below have been or are being considered by the Board.

Energy Commodity Matters Natural Gas Matters Completed

1. *Husky Oil Operations Ltd. - Contract Amendments - Natural Gas Export Licence GL-114*

On 6 October 1995, the Board approved an application dated 26 September 1995 from Husky seeking approval of amendments to the contract with Midland Cogeneration Venture Limited Partnership underpinning natural gas exports under Licence GL-114.

2. *Mobil Oil Canada - Revocation of Natural Gas Export Licence GL-165*

On 6 October 1995, the Board approved an application dated 2 October 1995 from Mobil seeking an order to revoke natural gas export Licence GL-165.

3. *Mobil Natural Gas Canada Ltd. - Contract Amendments - Natural Gas Export Licence GL-147*

On 12 December 1995, the Board approved an application dated 17 November 1995 from Mobil for approval of an Amended Gas Purchase Agreement with Washington Natural Gas Company underpinning natural gas exports under Licence GL-147.

4. *Pan-Alberta Gas Ltd. - Natural Gas Export Licence GL-106*

On 5 October 1995, the Board approved an application dated 15 September 1995 from Pan-Alberta requesting a reduction to the term of natural gas export Licence GL-106 from 31 October 2012 to 31 October 2003 with a corresponding reduction to the term volume.

Electricity Matters Completed

1. *Canadian Niagara Power Co. Ltd. - Application for Electricity Export Permits*

On 7 December 1995, the Board approved an application from Canadian Niagara Power for two permits to export up to 64 megawatts and 656 gigawatt hours of firm power and energy per year and 50 megawatts and 250 gigawatt hours of carrier transfer of firm power and energy for wheeling through the U.S. and its simultaneous return to Canada. The first permit will expire on 1 April 2008 and the second on 1 December 1999. The first permit allows individual contracts of up to five years without having to obtain a specific permit for each transaction in advance from the Board.

2. *Cornwall Electric - Application for Electricity Export Permits*

On 7 December 1995, the Board approved an application by Cornwall Electric for two export permits. The first permit is to export 45 gigawatt hours per year of interruptible energy for the period ending 31 October 1999 to Niagara Mohawk Power Corporation. The second permit is to export 50 megawatts and 250 gigawatt hours per year for the carrier transfer of circulating flow and its simultaneous return to Canada. This permit expires on 31 October 1999.

3. *Destec Power Services Inc. - Application for Electricity Export Permits*

On 7 December 1995, the Board approved an application from Destec for permits to export up to 1 200 gigawatt hours of energy on either a firm or interruptible basis. The permits will be for a duration of 10 years with individual contracts of up to five years without having to obtain a specific permit each time in advance from the Board.

4. *Multi Energies Inc. - Application for Electricity Export Permits*

On 21 December 1995, the Board approved an application from Multi Energies for 10-year permits to export from New Brunswick, Quebec and Ontario up to 1 000 megawatts of power and up to 8 760 gigawatt hours of energy on a firm or interruptible basis. The Board also approved the applicant's request for authorization to enter into individual contracts of up to five years without having to obtain a permit for each transaction in advance from the Board.

5. *TransCanada Northridge Power Ltd. (TNP) - Application for Electricity Export Permits*

On 16 November 1995, the Board approved an application by TNP for permits to export up to 115 megawatts of short-term power and up to 1 000 gigawatt hours of short-term firm energy per year as well as up to 2 000 gigawatt hours of interruptible energy. The permits will be for a duration of 10 years. The Board also approved the applicant's request for authorization to enter into individual contracts of up to five years without having to obtain a permit for each transaction in advance from the Board.

6. *Utility - Trade Corp. (UTC) - Application for Electricity Export Permits*

On 19 October 1995, the Board approved an application by UTC for permits to export up to 3 000 gigawatt hours of interruptible and firm energy per year with monthly volumes not to exceed 250 000 megawatt hours. The permits will be for a duration of 10 years with authorization to enter into individual contracts of up to five years without having to obtain a permit for each transaction in advance from the Board.

Matters Under Consideration

7. *New Brunswick Power Corporation - Application for an Electricity Permit*

On 30 September 1995, NB Power applied for a 20-year permit to export 740 megawatts of firm and interruptible power and 6 482 gigawatt hour of firm and interruptible energy pursuant to existing and new agreements with periods not exceeding five years.

8. *Ontario Hydro - Amendments to Electricity Export Permit EPE-21*

On 20 July 1995, Ontario Hydro applied for approval to amend Export Permit EPE-21 by removing certain conditions from the permit. On 24 August 1995, the Board sent a letter to Ontario Hydro seeking comments on the proposed amended conditions.

Export Permit EPE-21 authorizes Ontario Hydro to export interruptible energy of up to 25 000 gigawatt hours per consecutive 12-month period less actual exports under Export Permit EPE-23. The permit is for the period 1 July 1991 to 30 June 2006.

Pipeline Matters Matters Completed

1. *Streamlining Section 58 Pipeline Applications*

On 16 November 1995, the Board revised its Streamlining Order XG/XO-100-94 in order to take into account the requirements of the *Canadian Environmental Assessment Act*. In addition, some modifications have been made to the Order as a result of experience with the existing Order.

On 6 July 1994, the Board issued a decision concerning the processing of specified routine pipeline facilities applications under section 58 of the Act. Section 58 applications are for new pipelines less than 40 kilometres in length and other facilities, and may be considered by the Board without a public hearing.

The Board decided to allow pipeline companies to complete routine or repetitive capital projects required to operate and manage a pipeline system and which have been determined to have no environmental effect without having to seek individual Board authorizations. As well, projects undertaken by pipeline companies which are part of a well defined multi-year program would receive a single, one-time examination by the Board at the commencement of the program. All capital projects completed by a pipeline company under this streamlined process will continue to be examined by the Board and interested parties prior to being added to the rate base.

2. *The Consumers' Gas Company Ltd. - Application for Stay of Jurisdictional Decision - Niagara Gas Transmission Limited*

(Refer to item 2 under *Pipeline Matters, Matters Completed*, page 7 of Issue No. 54 of the *Regulatory Agenda* dated 1 October 1995.)

On 28 September 1995, the Board decided that a section of Consumers' Gas natural gas pipeline, once joined to the proposed pipeline of Niagara Gas which will cross the Ottawa River, is subject to federal jurisdiction.

On 17 November 1995, Consumers' Gas applied for an order of the Board "staying its decision and/or the effect of the decision... that certain facilities owned by Consumers' Gas are subject to federal jurisdiction."

On 30 November 1995, the Board sent a letter to Consumers' Gas advising that the Board was of the view that the relief Consumers' Gas is seeking is an exemption from compliance with the requirement of the Act and related regulations pending the outcome of an appeal of this decision to the Federal Court of Appeal. The Board further advised that it was not prepared to exempt Consumers' Gas from its declaratory judgment on jurisdiction over the Ottawa East Facilities, but that it was prepared to grant an exemption from the effects of that declaration. The Board exempt-

ed Consumers' Gas from compliance with Board requirements other than those related to matters of safety and environmental protection.

On 11 December 1995, Consumers' Gas asked for the relief below.

- 1) The Board review and vary its exemption decision such that it stays the jurisdictional decision or the effects of the jurisdictional decision in all respects, including matters pertaining to safety and environmental protection.
- 2) In the event that the Board declines this relief, Consumers' Gas requests that the Board
 - (a) indicate whether the denial is on the ground that the Board is of the view that it does not have jurisdiction to stay a jurisdictional decision or the effects of that decision and the basis of that view; and
 - (b) specify those provisions of the Act, the Onshore Pipeline Regulations and the crossing regulation that are not included within the scope of the Board's 30 November exemption decision.

The Board decided not to grant the relief requested.

3. *Cube Energy Corporation - Pipeline Facilities*

On 12 October 1995, the Board approved an application dated 8 September 1995 from Cube Energy to construct a 3.5-kilometre long pipeline from Alberta to Saskatchewan. The pipeline would transport sweet, dry natural gas gathered from a well in Alberta to a tie-in point on Cube Energy's existing Hallam gathering system in Saskatchewan. The estimated cost of the pipeline is \$215 000.

4. *Husky Oil Operations Ltd./Westcoast Gas Services Inc. - Transfer Interest in Goodlow Pipeline*

On 20 October 1995, the Board approved a joint application dated

14 July 1995 from Husky for approval to sell to Westcoast and Westcoast seeking leave to purchase from Husky the 50 percent undivided interest of Husky in the Goodlow pipeline. The Goodlow pipeline is a 22-kilometre long pipeline which transports residue gas from a processing plant in the Boundary Lake area of northeastern British Columbia to the Ole Lake receipt point on NOVA Gas Transmission Ltd.'s system in northwestern Alberta.

5. *Interprovincial Pipe Line Inc. - Deactivation of Line 8*

On 24 November 1995, the Board approved an application dated 20 October 1995 from Interprovincial for an order to deactivate Line 8. Line 8 comprises 225 kilometres of crude oil pipeline that runs parallel to Lines 7 and 9 from Interprovincial's Sarnia Terminal to a point near Bronte Junction in the town of Oakville.

6. *Niagara Gas Transmission Limited - The Link Project*

On 14 December 1995, the Board approved an application dated 27 March 1995 from Niagara Gas for approval to construct a 10.2-kilometre long pipeline from the St. Clair River to the Tecumseh Compressor Station in Moore Township, Lambton County, Ontario and a metering facility at Tecumseh.

The proposed pipeline will have the capacity to transport up to 4.2 million cubic metres (150 million cubic feet) per day of natural gas to markets in eastern Canada and to the northeast U. S. The estimated cost of the pipeline is \$12.5 million.

7. *Olympia Energy Inc. - Pipeline Facilities*

On 30 November 1995, the Board approved an application dated 13 November 1995 from Olympia to construct a 2.13-kilometre long pipeline from Saskatchewan to Alberta. The pipeline will be used to transport sweet natural gas from Olympia's well located in Saskatchewan to an existing gas

pipeline in Alberta. The estimated cost of the pipeline is \$150 000.

8. *Trans-Northern Pipelines Inc. - Abandon Toronto Shipper Laterals*

On 2 October 1995, the Board approved an application dated 22 February 1995 from Trans-Northern to retire, remove or abandon certain facilities generally described as the Toronto shipper laterals.

9. *Documentation and Operation Safety Audit Reports*

The Board has adopted the Documentation and Operations Safety Audit Reports for Monitoring Compliance with the *Onshore Pipeline Regulations* for the following companies:

Imperial Oil Resources Limited -
1 November 1995
Montreal Pipe Line Limited -
2 November 1995
Aurora Pipe Line Limited -
28 November 1995
TransCanada PipeLines Limited -
5 December 1995
Sun-Canadian Pipe Line Company Limited -
12 December 1995
Novacor Chemicals (Canada) Ltd. -
12 December 1995
Shell Canada Products Limited -
12 December 1995
Genesis Pipeline Canada Ltd. -
12 December 1995
Foothills Pipe Lines (Sask.) Ltd. -
21 December 1995
Elan Energy Inc. -
21 December 1995

10. *Section 58 Pipeline Applications*

The Board has approved or is considering several applications under section 58 of the Act involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. These matters may be considered by the Board without a public hearing.

Gas Pipelines

Alberta Natural Gas Company Ltd
Application dated 30 October 1995
Application: Various projects.

Estimated Cost: \$23 565 000
Status: On 29 November 1995, the Board sent a letter to Alberta Natural requesting additional information.

Blue Range Resources Corporation
Application dated 12 September 1995
Application: Fifteen metres of pipeline connecting the provincially-regulated Bulrush pipeline to Blue Range's existing Clear Hills pipeline.
Estimated Cost: \$75 000
Approved on 8 November 1995.
Order Number: XG-B88-49-95

Consumers' Gas (Canada) Ltd.
Application dated 28 September 1995
Application: Installation of a new sales tap in Brampton, Ontario.
Estimated Cost: \$1 500
Approved on 20 December 1995
Order Number: XG-C283-52-95

Cube Energy Corporation
Application dated 8 September 1995
Application: Construct a 3.5 kilometre pipeline from Alberta to Saskatchewan.
Estimated Cost: \$215 000
Approved on 12 October 1995
Order Number: XG-C41-44-95

Foothills Pipe Lines (Alta.) Ltd.
Application dated 14 September 1995
Application: Removal of sulphurcrete buoyancy control weights and replacement of pipe potentially affected by hydrogen induced cracking in Alberta.
Estimated Cost: \$12 929 000
Approved on 13 October 1995
Order Number: XG-F7-43-95

Foothills Pipe Lines (Sask.) Ltd.
Application dated 14 September 1995
Application: Removal of sulphurcrete buoyancy control weights and replacement of pipe potentially affected by hydrogen induced cracking in Saskatchewan.
Estimated Cost: \$13 711 000
Approved on 13 October 1995
Order Number: XG-F12-42-95

Many Islands Pipe Lines (Canada) Limited
Application dated 11 September 1995
Application: Tie-in assembly to connect a proposed TransGas Limited pipeline to Many Island's Ester, Alberta to Smiley, Saskatchewan pipeline.
Estimated Cost: \$42 000
Approved on 10 October 1995
Order Number: XG-M29-46-95

Olympia Energy Ltd.
Application dated 13 November 1995
Application: Construct 2.13 kilometres of pipeline from Saskatchewan to Alberta.
Estimated Cost: \$150 000
Approved on 30 November 1995
Order Number: XG-O56-54-95

TransCanada PipeLines Limited
Application dated 7 September 1995
Application: Construction of the Austin Meter Station in Manitoba.
Estimated Cost: \$424 000
Approved on 17 October 1995
Order Number: XG-T1-47-95

TransCanada PipeLines Limited
Application dated 8 September 1995
Application: 1996 construction. Various projects.
Estimated cost: \$21 078 000
Approved on 23 November 1995
Order Number: XG-T1-51-95

TransCanada PipeLines Limited
Application dated 30 October 1995
Application: Construct a Meter Station at Metcalfe and Sales Taps at Grafton and Baltimore, all in Ontario.
Estimated Cost: \$534 000
Approved on 30 November 1995
Order Number: XG-T1-56-95

Westcoast Energy Inc.
Application dated 7 September 1995
Application: Extend the Jedney Condensate loop by approximately 2.54 kilometres.
Estimated Cost: \$1 174 000
Approved on 10 October 1995
Order Number: XG-W5-45-95

Westcoast Energy Inc.
Application dated 20 September 1995

Application: Installation of water analyzer stations on the Ocelot/Brazion pipeline and Sahtaneh pipeline.
Estimated Cost: \$655 000
Approved on 3 November 1995
Order Number: XG-W5-48-95

Westcoast Energy Inc.
Application dated 28 November 1995
Application: Crossover pipeline at Compressor Station 2.
Estimated Cost: \$482 000
Approved on 8 December 1995.
Order Number: XG-W5-57-95

Westcoast Energy Inc.
Application dated 26 October, amended on 17 November 1995
Application: Installation of H2S analyzer station and addition of a sewage lagoon.
Estimated Cost: \$363 000
Status: On 30 November 1995, the Board sent a letter to Westcoast requesting additional information.

Westcoast Energy Inc.
Application dated 27 November 1995
Application: Ninety one minor projects.
Estimated Cost: \$49 000 000
Status: On 15 and 19 December 1995, the Board sent a letters to Westcoast requesting additional information.

Oil Pipelines

Interprovincial Pipe Line (NW) Ltd.
Application dated 6 October 1995
Application: Metering modification to tie-in the proposed ISH pipeline.
Estimated Cost: \$195 000
Status: On 7 November 1995, the Board sent a letter to IPL (NW) requesting additional information.

Montreal Pipe Line Limited
Application dated 21 November 1995
Application: Install an operator on the trunk line valve located on the south side of the St. Lawrence River.
Estimated cost: \$45 000
Approved on 13 December 1995
Order Number: XO-M3-25-95

Westspur Pipe Line Company Inc.
Application dated 22 November 1995
Application: Tie-in to an existing facility located near Alida, Saskatchewan.
Estimated cost: \$1 500
Approved on 15 December 1995
Order Number: XO-W2-26-95

Matters Under Consideration

11. Novacorp International (Canada) Ltd., and St. Clair Pipelines Limited - Pipeline Under the Detroit River

On 21 December 1994, the above-mentioned companies applied for an extension of a clause in Order XG-11-88 which required that the construction of the pipeline approved under the Order commence by 31 December 1989, later extended to 31 December 1994. The clause in the Order has been extended four times previously as the connecting pipeline in the United States became the subject of legal proceedings which necessitated successive postponement of construction of the Canadian portion. Order XG-11-88 authorized the construction of a 660-metre long pipeline across the Detroit River. The pipeline is intended to provide an alternate source of gas for the National Steel Corporation plant in the state of Michigan.

Novacorp also applied for approval to transfer its rights and obligations under the Order to St. Clair. Novacorp and St. Clair have reached an agreement whereby St. Clair will build and operate the pipeline.

On 23 December, the Board extended the sunset clause until such time that it disposes of the current application.

On 26 January 1995, the Board sent a letter to the companies requesting additional information.

12. Novagas Clearinghouse Pipeline Ltd. - Pesh Creek Pipeline

On 12 October 1995, Novagas applied to construct and operate a new pipeline facility carrying natural gas from north-eastern British Columbia to north-western Alberta.

The applied-for facilities (referred to as the Pesh Creek Pipeline) consist of approximately 16.5 kilometres of pipeline which will transport natural gas from a proposed separation, compression and metering facility in north-eastern British Columbia (referred to as the Peggo Facility) to a proposed NOVA Gas Transmission Ltd. metering facility in northwestern Alberta. The proposed pipeline will have the capacity to deliver 1.7 cubic metres (60 million cubic feet) of natural gas per day from the so-far unconnected Midwinter and other fields in northeastern British Columbia to NOVA Gas Transmission Ltd.'s system.

Novagas estimates the capital cost of the project to be \$2.9 million. The company is planning an in-service date of 30 April 1996.

On 21 November 1995, Westcoast Energy Inc. wrote to the Board asking it to consider this pipeline application as part of a larger project designed to collect, process and transmit gas from British Columbia into Alberta.

The Board invited comments from interested parties on this matter.

13. *Rigel Oil and Gas Ltd. - Boundary Lake Interprovincial Pipeline*

On 12 December 1995, Rigel applied for approval to construct a 6.5-kilometre long pipeline from a gas well in the Boundary Lake area of northeastern British Columbia to Inverness Petroleum's existing gas processing plant in northwestern Alberta. The estimated cost of the project is \$950 000.

14. *Wascana Energy Inc. - PESH - Petitot Gas Gathering Pipeline*

On 24 November 1995, Wascana applied for approval to construct a 15-kilometre long pipeline from a gas well in northeastern British Columbia to an existing gas processing plant in northwestern Alberta. The estimated cost of the project is \$1 850 000.

15. *Yukon Pipelines Limited - Discontinuance of Operation*

On 12 July 1995, Yukon Pipelines filed an application regarding its intention to abandon the 144.5-kilometre Canadian section of the 177-kilometre long pipeline which extends from Skagway, Alaska to Whitehorse, Yukon. Operation of the line ceased in October 1994 and the contents of the line were removed in May and June 1995.

In August 1995, the Board published a notice inviting submissions on the application by 29 September 1995.

On 23 November 1995, the Board sent a letter to the company requesting additional information.

16. *661151 Alberta Limited - Bulrush Pipeline*

On 18 September 1995, 661151 Alberta applied for approval to construct an 18-kilometre long pipeline extending from a gas plant in northeastern British Columbia, north of Fort St. John, to a proposed NOVA Gas Transmission Ltd. metering facility in northwest Alberta. The estimated cost of the project is \$28 million.

On 12 October 1995, the Board sent a letter to the company requesting additional information.

Traffic and Toll Matters Matters Completed

1. *Cost of Capital Adjustment for 1996*

The Board has established the 1996 rate of return on common equity of 11.25 percent as the first adjustment resulting from its multi-pipeline cost of capital (RH-2-94) decision of April 1995. The 1995 rate of return on common equity was set at 12.25 percent.

In its April 1995 decision, the Board found that an automatic mechanism to make annual adjustments to the approved rate of return on common equity was appropriate. The adjustment mechanism, to apply from the 1996 toll

year onwards, is based on changes in forecast yields for 10-year Government of Canada bonds published in *Consensus Forecasts* (Consensus Economics Inc., London, England), adjusted to reflect the spread between 10-year and 30-year Government of Canada bonds. Changes in the rate of return on common equity will be 75 percent of the year-over-year changes in bond yield forecasts.

2. *Interprovincial Pipe Line Inc. - Apportionment*

On 7 December 1995, the Board received a request to issue an interim two-month order restricting apportionment on the Interprovincial oil and products pipeline.

The request came in a letter signed by 13 shippers and asked for an interim order amending the apportionment process whereby Interprovincial allocates pipeline capacity for the transportation of crude oil. The letter states that the objective of the interim order would be to instill reality into the allocation process, while the industry cooperatively works to develop a recommendation that will function longer-term. Apportionment occurs when nominations to ship on the company's system exceed pipeline capacity. Apportionment on the Interprovincial system reached 32 percent for December, a figure which the 13 shippers say they believe is not warranted, based on actual crude oil producibility in Western Canada.

On 14 December 1995, the Board decided on the request and ordered the following:

"1. Pipeline space shall be allocated to shippers of historical record using as a basis the higher of:

their average monthly apportioned supply into IPL in the months of May through August 1995 inclusive,

or

their average 1995 monthly apportioned supply into IPL.

2. Any shipper of historical record for 1995 who did ship volumes in the period 1 July 1995 until 6 December 1995, inclusive and whose allocation would amount to less than 8 000 cubic metres per month under clause "1" above shall be given an allocation of 8 000 cubic metres per month.
3. A maximum of one percent of IPL's capacity shall be made available to new shippers during the two-month period of the interim order. Every new shipper shall be limited in its monthly volumes to 8 000 cubic metres, subject to apportionment. Only those companies that had been approved by IPL for shipper status as of midnight, 6 December 1995 shall be eligible for new shipper status during the period of the interim order.
4. This order shall be effective for injections in the months of January and February 1996.
5. IPL consult with industry to arrive at a long-term solution, and file its recommendations with the Board, its shippers and interested parties by 22 January 1996. IPL and industry should review, among other things: using spare capacity on Cochin pipeline; moving certain crudes out of line 3; determining a workable tender verification process; handling of inventories and the impact of new pipeline capacity."

3. *Westcoast Energy Inc. - Amendments to General Terms and Conditions - Charges for Over-Deliveries*

On 14 December 1995, the Board sent a letter to Westcoast acknowledging the filing, on 20 November 1995, of revised amendments filed by Westcoast to its General Terms and Conditions - Service adding a new article entitled Charges for Over-Delivery, to be effective 1 November 1995. The Board, however, directed the company to refile tariff sheets showing the effective date of 20

November 1995. The new article implements penalty charges for over-deliveries in Zone 1 (Raw Gas Transmission) and any possible over-deliveries in the dry gas system (Zone 3 - Transportation North).

4. *Audit Reports*

The Board issued financial audit reports for the following companies:

Gazoduc Trans Québec & Maritimes Inc. - 10 November 1995
 Champion Pipe Line Corporation Limited - 16 November 1995
 TransCanada PipeLines Limited - 16 November 1995
 Westspur Pipe Line Company Inc. - 17 November 1995
 Montreal Pipe Line Limited - 23 November 1995
 Murphy Oil Company Ltd. (including Manito Pipelines Ltd., Wascana Pipeline Ltd. and the Bodo Pipeline System) - 14 December 1995

Matters Under Consideration

5. *Foothills Pipe Lines (Alta.) Ltd., Foothills Pipe Lines (South B.C.) and Foothills Pipe Lines (Sask.) Ltd. - 1996 Operating and Maintenance Expense Budgets*

On 30 November 1995, Foothills Pipe Lines Ltd. applied, on behalf of the above noted subsidiaries, for approval of Operating and Maintenance Expense Budgets for the 12-month period ending on 31 December 1996.

On 15 December 1995, the Board advised Foothills that before making a final decision on the applied-for budgets it wished to consider Foothills' actual 1995 costs and the analysis of the 1995 operating and maintenance expense variances due to be filed with the Board on 28 February 1996. Therefore, the Board decided to issue an interim order approving interim budgets for the year ending 31 December 1996 equal to 50 percent of the budgets submitted.

6. *Morgan Hydrocarbons Inc. - Complaint Re: Murphy Oil Company Ltd. and Manito Pipelines Ltd.*

On 21 December 1995, Morgan filed an application requesting that the Board assert jurisdiction over certain facilities owned by Murphy and seeking the establishment of fair, equitable and non-discriminatory terms for access to such facilities and just and reasonable tolls for their use. The application also constitutes a complaint in respect of the tolls presently charged on the Manito system. The application and complaint specifically ask the Board to:

- a) assert jurisdiction over certain Murphy facilities;
- b) direct that the existing tolls charged by Manito and Murphy be made interim so that Morgan will be able to receive a refund of any amount subsequently judged to be in excess of just and reasonable tolls;
- c) initiate a public proceeding to examine Morgan's application and complaint;
- d) institute an investigation into the present restrictions on access to the facilities of Manito and Murphy;
- e) direct Murphy to unbundle its transportation and merchant functions; and
- f) regulate the Manito/Murphy companies as a Group 1 pipeline.

7. *Westcoast Energy Inc. - Amendments to Pipeline Tariff for Fort Nelson Liquids*

On 27 October 1995, Westcoast filed amendments to its General Terms and Condition for Service allowing it to process hydrocarbon liquids at liquid handling facilities located at the Cabin Laka Booster Station on the Fort Nelson Raw Gas Transmission System. Westcoast explained that the proposed amendments were discussed at the Toll and Tariff Task Force meeting held in October and that the parties were not

able to achieve consensus on the amendments.

The Board decided to make the raw gas transmission tolls and filed amendments to the General Terms and Conditions interim effective 2 November 1995. On 16 November 1995, the Board sent a letter to Westcoast requesting additional information.

8. *Government of the Northwest Territories (GNWT) - Complaint and Notice of Motion - Tolls and Tariffs of Interprovincial Pipe Line (NW) Ltd. IPL(NW) - Norman Wells Pipeline*

On 31 October and 7 November 1995, the GNWT filed a Complaint and a Notice of Motion, respectively, with respect to the tolls and tariff on the Norman Wells Pipeline. The Complaint

identifies specific areas where the GNWT believes the current method of calculating the tolls and tariff for IPL(NW) is incompatible with the manner in which the tolls and tariffs of other pipelines regulated by the Board are determined. The Notice of Motion seeks an order from the Board, determining, as a preliminary matter, that the tolls of IPL(NW) be derived based on the same principles as applied to other Group 1 companies.

The Board determined that preliminary comments on the threshold question of whether it remains appropriate to regulate IPL(NW) based on the 1 January 1980 Norman Wells Pipeline Agreement, as amended, should be obtained from IPL(NW), its shippers and interested parties. At the same time as pro-

viding comments on the GNWT submissions, the Board also requested that parties identify any other issues which they feel should be considered in an examination of the tolls and tariffs for IPL(NW) should the Board determine that a Part IV proceeding is to be held.

Parties had until 15 December 1995 to file comments and until 5 January 1996 to file any reply comments.

Other Matters

Frontier Matters

The applications below were approved.

- a) On 10 November 1995, Authority to Undertake a Diving Program, pursuant to Part I of the Canada Oil and Gas Diving Regulations, was approved as part of the approved Panarctic Hmstd et al Drake F-76 abandonment program.
- b) Authority to drill a well, pursuant to section 82 of the *Canada Oil and Gas Drilling Regulations*, were given for:
 - Imperial Norman Wells
D-52X - 11 October 1995
 - Imperial Norman Wells
A-43X - 15 November 1995
 - Imperial Norman Wells
F-52X - 31 December 1995
- c) Approvals for application to alter conditions of a well, pursuant to Part VIII of the Canada Oil and Gas Drilling Regulations, were given on 14 and 19 December 1995 for:
 - Shell Unipkat I-22, B-12 and N-12
 - Shell Niglintgak B-19 and N-19
 - Paramount HB et al Cameron Hills M-31.
- d) An application for a geophysical operation authorization by Shell Canada Ltd., reprocessing of MacKenzie Delta data, was approved on 23 November 1995. Also approved were two programs in the southern Northwest Territories by BFR Geophysical Company and one program in the Norman Wells area by Ranger Oil Ltd.
- e) An application by Imperial Oil Resources Ltd for approval for Downhole Operations for the production and injection wells in the Norman Wells field was approved on 21 December 1995.

- f) An application by Imperial Oil Limited to alter the configuration of a rig, pursuant to section 13(3) of the *Canada Oil and Gas Drilling Regulations*, for the Norman Wells drilling program was approved on 9 November 1995.
- g) An Emergency Response Plan submitted by Shell Canada Limited, pursuant to section 79 of the *Canada Oil and Gas Drilling Regulations*, was approved on 8 December 1995.

Safety Matters

Transportation Safety Board of Canada (TSB) - Commodity Pipeline Occurrence Report Number P94H0003

On 29 September 1995, the TSB released a report on an incident involving the rupture and ignition of the Foothills Pipe Lines Ltd. natural gas pipeline near Maple Creek, Saskatchewan. The report identified the cause of the rupture as a fracture in an area of delamination in the steel. The delamination was produced by the diffusion of atomic hydrogen at inclusions in the pipe steel, a process referred to as "hydrogen induced cracking".

The TSB made two recommendation in its report:

- P95-01 The National Energy Board, in conjunction with the Canadian Standards Association, re-evaluate the standards for steel pipe manufacturing with respect to the prevention of hydrogen entrapment within the pipe wall.
- P95-01 The National Energy Board identify and undertake corrective measures for those pipeline manufactured to standard CAN/CSA-Z245.2-MI979 Grade 483 Category II operating in environments where there is a potential for hydrogen induced cracking.

The Board accepted recommendation P95-01 and will review, with the Canadian Standards Association, the standards for steel pipe manufacturing with respect to the prevention of hydrogen entrapment within the pipe wall.

The Board also accepted recommendation P95-02 and issued a request to pipeline operators under its jurisdiction in order to understand the extent to which sulphurcrete weights exist on federally regulated pipelines. The Board will review the remedial actions, or reasons for lack of remedial actions, proposed by the operators and undertake actions accordingly.

Transportation Safety Board of Canada (TSB) - Commodity Pipeline Occurrence Report Number P90H0606

On 15 March 1993, the TSB released the above-noted report on a pipeline incident which occurred on 6 June 1990 on TransCanada PipeLines Limited's system near Marionville, Ontario. While pre-ploughing a telephone cable trench with a bulldozer and an attached cable plough, a contractor punctured TransCanada's pipeline.

The TSB made two recommendation in its report:

- P92-05 The National Energy Board evaluate the effectiveness of current practices among federally regulated companies for providing direction to contractors, and initiate improvements where required.
- P92-06 The National Energy Board ensure that, in an emergency, sections of line beyond crossover points on federally regulated pipelines can be quickly and safely isolated.

In addressing the recommendations, the Board examined regulatory requirements under the Act and conducted a survey of NEB-regulated companies to obtain information on pipeline facilities

and the practices and policies of companies for responding to emergency situations.

Analysis of the survey results and discussions with certain pipeline companies ultimately led to the conclusions that, in respect of the matters raised in the TSB recommendations, regulatory requirements under the Act are generally adequate and corrective action was required in the case of one company. That company has undertaken to implement the appropriate corrective action.

Reports

Remaining Authorized Gas Exports Under Long-term Licences as of 1 November 1995

In November 1995, the Board released the above-noted statistical report.

The Board's report shows that the total authorized volumes of natural gas remaining to be exported under long-term licences, up to the year 2014, is 521.0 billion cubic metres (18.3 trillion cubic feet). This quantity does not include licences authorizing the export of natural gas from the Mackenzie Delta totalling 260.0 billion cubic metres (9.2 trillion cubic feet). The estimated remaining reserves and undiscovered resources in conventional gas pools in the Western Canada Sedimentary Basin, as of 1 November 1995, is 4 650.0 billion cubic metres (164.0 trillion cubic feet) of which approximately 1 780.0 billion cubic metres (63.0 trillion cubic feet) is remaining reserves and 2 870.0 billion cubic metres (101.0 trillion cubic feet) is undiscovered resources. Therefore, the total long-term authorized exports represent approximately 29 percent of remaining reserves and approximately 11 percent of total remaining reserves and undiscovered resources.

The volumes authorized for long-term exports to the U.S. are regionally distributed as follows: 40 percent to the Northeast; 32 percent to the Midwest; 15 percent to California; and, 13 percent to the Pacific Northwest.

Natural Gas Market Assessment (NGMA) - Price Convergence in North American Natural Gas Markets

In December 1995, the Board released the above-noted report. NGMA reports contain results of the Board's ongoing natural gas market monitoring which in turn constitutes a part of the Board's Market-Based Procedure of natural gas export regulation.

This NGMA report is directed toward a statistical analysis of price links between various natural gas producing basins in North America since the natural gas market deregulation in the mid-1980s. By assessing the strength of the price links between basins, conclusions can be made about whether natural gas is priced in a single "continental" market or whether pricing takes place in segmented regional markets. The strength of such links can serve as an indicator of market competitiveness, and is also important in terms of the degree to which natural gas supply/demand developments in other parts of North America may influence natural gas prices in Canada.

The Board's analysis suggests three broad conclusions: (1) there has been an increasing degree of integration among North American natural gas markets since price deregulation and the introduction of open access; (2) there is, however, somewhat of a pricing split between eastern and western gas markets; and, (3) the pricing of Alberta gas is more strongly linked with western U.S. natural gas markets than with eastern markets. Thus, despite the general trend towards greater continental mar-

ket integration it would not be accurate at this point to claim that there is a single North American natural gas market in which the "law of one price" prevails. In the case of Alberta, the study identifies the growth in export pipeline capacity as the strongest single factor which enhanced the degree of price integration of the province with other North American markets.

Overall, the study provides statistical evidence for industry perceptions of increasing market integration since the natural gas market deregulation, and of an east-west continental split in gas pricing. The study concludes that the increased market integration has benefited both consumers and producers. The ability of consumers to access least-cost supplies and the ability of producers to obtain the best price, regardless of their respective locations, have improved as a result. The increased degree of integration among North American markets also implies that markets have become more competitive because the effective number of participants on both sides of the market has become greater. As a result, the potential for a dominant market player, or a few market players, to unduly influence prices at any location has diminished.

Regulation of Group 2 Companies - Memorandum of Guidance

On 16 November 1995, the Board issued an updated version of the Memorandum of Guidance on the Regulation of Group 2 Companies dated 22 November 1990.

The updated MOG includes updated references to *Guidelines for Filing Requirements* issued on 22 February 1995, the *Canadian Environmental Assessment Act* and an updated Schedule B dealing with the regulation of tolls and tariffs of Group 2 companies.

Appeals and Reviews

Appeal Completed

1. *West Moberly Lake First Nations - Westcoast Energy Inc. - Southern Mainline Looping and Fort Nelson Mainline Looping, GH-2-95*

On 21 July 1995, West Moberly filed a Leave to Appeal application with the Federal Court of Appeal for leave to appeal the Board's decision in GH-2-95 (refer to item 5 under *Recent Hearing Decisions* on page 2 of issue No. 53 of the *Regulatory Agenda* dated 1 July 1995). On 13 October 1995, the Federal Court dismissed the application.

Appeals Pending

1. *Manitoba Hydro - Application for Leave to Appeal the Board's Amending Order AO-2-EC-III-16*

On 30 December 1992, Manitoba Hydro filed an application in the Federal Court of Appeal for leave to appeal the Board's Amending Order No. AO-2-EC-III-16 issued 31 August 1992 regarding alterations to the Dorsey Substation. Manitoba Hydro sought the appeal on the basis that the Board erred in law and jurisdiction in issuing the Order subject to certain conditions.

On 22 February 1993, the Federal Court of Appeal granted the leave application of Manitoba Hydro and a Notice of Appeal was filed by Manitoba Hydro on 20 April 1993. The case has yet to be heard.

2. *Westcoast Energy Inc. v the National Energy Board and the Attorney General of Canada*

On 9 June, Westcoast filed for leave to appeal the Board's decision dismissing, for reasons of jurisdiction, an application by Westcoast relating to the expansion of the company's Fort St. John natural gas gathering system and the con-

struction of a new gas treatment plant. On 24 August, the Federal Court of Appeal granted leave to appeal. The appeal will be heard on 8 January 1996.

3. *Westcoast Energy Inc. - Grizzly Valley Project Application*

On 28 September, the Board referred to the Federal Court of Appeal an application from Westcoast for the proposed expansion of the company's Pine River Plant and Grizzly Valley Raw Gas Transmission System in northeastern British Columbia. The proposed expansion also includes the Sukunka Fuel Gas Pipeline, a loop of the Pine River Mainline and modifications to Compressor Station No. 2. Westcoast asked the Board to seek a ruling at the earliest possible time from the Federal Court of Appeal, on whether the Board has jurisdiction to hear the Grizzly Valley expansion project application. This reference is scheduled to be heard by the Federal Court of Appeal on 8 January 1996.

Applications for judicial review of the order of the Board granting the reference and applications for leave to appeal that order have been filed by B.C. Gas Utility Ltd. and the Province of British Columbia. These applications will also be heard by the Federal Court of Appeal on 8 January 1996.

4. *BC Gas Utility Ltd. and the Province of BC - Westcoast Energy Inc. Reference*

On 20 and 26 October 1995, respectively, BC Gas and the Province of British Columbia sought leave to appeal the Board's decision to refer the Westcoast Energy Inc. Grizzly Valley Project application to the Federal Court of Appeal for a jurisdictional decision. Both parties asked that this leave to appeal be held in abeyance pending an application filed at the same time to

quash the Board's referral of its jurisdictional question to the Court. The applications to quash this decision of the Board will be heard by the Federal Court of Appeal on 8 January 1996.

5. *The Consumers' Gas Company Ltd. - Niagara Gas Transmission Ltd. Facilities Application*

On 30 October 1995 Consumers' Gas applied to the Federal Court of Appeal for leave to appeal the Board's decision that it had jurisdiction over the company's Ottawa East line once it was connected to the proposed Niagara line (refer to item 2 under *Pipeline Matters, Matters Completed* on page 12 and to item 2 under *Pipeline Matters, Matters Completed* on page 7 of Issue No. 54 of the *Regulatory Agenda* dated 1 October 1995). Leave to appeal was granted on 20 November 1995. The appeal will be heard on 12 March 1996.

Review Pending

1. *Ashland Scurlock Permian Canada, Ltd. and Ashland Inc. - Interprovincial Pipe Line Inc. - Apportionment Order of 14 December 1995*

(Refer to item 2 under *Traffic and Toll Matters* on page 9.)

On 21 December 1995, the above companies applied for a review of the Board's decision of 14 December 1995 in which the Board approved a proposal whereby apportionment on Interprovincial's crude oil lines for the months of January and February 1996 would be based on historical shipments. The two companies claim that, due to the manner in which they conduct business, their allocation of pipeline space is not as high as meets their needs of their actual historical shipments. They allege that the Order is resulting in severe financial hardship.

Amendments to Regulations

Amendments to the Board's regulations completed or in various stages of preparation, include the following:

1. Onshore Pipeline Regulations

On 6 May 1994, the Board issued a draft of the *Onshore Pipeline Regulations* for comment by interested persons.

The Regulations specify the requirements for the protection of property and the environment and safety of the public and company employees in the design, construction, operation, maintenance and abandonment of an onshore pipeline. The current regulations have been in effect since June, 1989.

The Board is proposing the amendments to reflect changing pipeline safety and environmental issues arising from pipeline incidents, revised CSA standards, regulatory enforcement responsibilities and general experience working with the regulations.

2. Offshore Pipeline Regulations

The *Offshore Pipeline Regulations* specify the requirement for the protection of property and the environment and the safety of the public and the company's employees in the design, construction, operation and abandonment of an offshore pipeline.

The Regulations require further review with respect to amendments to the Onshore Pipeline Regulations and integration of frontier activities into the Board.

3. National Energy Board Part VI Regulations

The amended Regulations were published in Part I of the *Canada Gazette* on 6 May 1995 for a 30-day comment period. The Board considered the comments received and further amendments were made. The Regulations have been submitted to the Department of Justice for review and will then be republished

in the *Canada Gazette*, anticipated for 13 January 1996, for a further 30-day comment period.

4. Electricity Regulations

On 30 March 1995, the Board approved, for submission to the Privy Council Office - Justice, the draft *Electricity Regulations*.

The draft regulations set out, among other things, information requirements for applications in respect of electricity exports and international power line facilities, and the terms and conditions of export and facilities permits. These regulations will, in part, replace the *Part VI Regulations* and parts of Schedule II of the draft *Rules of Practice and Procedure*.

5. Export and Import Reporting Regulations

The Regulations were published in Part II of the *Canada Gazette* and are now in effect.

The Regulations require persons exporting oil, gas, or electricity, or importing gas to provide certain information to the Board. The Board decided to remove the reporting requirements from the *Part VI Regulations* and make these new regulations under subsection 129(1) of the Act on the suggestion of the Standing Joint Committee of the Senate and House of Commons for the Scrutiny of Regulations.

6. Power Line Crossing Regulations

On 13 July 1995, the Board approved for pre-publication in Part I of the *Canada Gazette* for a 30-day comment period the Power Line Crossing Regulations. No comments were received. The regulations establish the conditions under which leave of the Board is not required to construct crossings involving a power line or to excavate using power-operated equipment or explosives within thirty metres of a power line. The regulations also give mini-

mum technical standards for the design and construction of such crossings. These regulations came into force on 2 November 1995.

7. Power Line Crossing Regulations, Part II

In August 1995, the Board approved an amendment to the Power Line Crossing Regulation Part II. the purpose of the amendment is to clarify the language in the Regulation at the request of the Standing Joint Committee for Scrutiny of Regulations. The amendment came into force on 29 November 1995.

8. Cost Recovery Regulations

On 26 October 1995, the Treasury Board approved the Minister's submission to amend the Cost Recovery Regulations. The amendment is to repeal section 9 of the regulations. Section 9 currently permits the Minister of Natural Resources to exclude the recovery of costs of NEB activities primarily devoted to advising the Minister and exclude or defer recovery of costs that are not of direct benefit to a regulated activity in a specific calendar year, or to include costs that are of direct benefit to a regulated activity in a specific calendar year, where those costs have been deferred or excluded from a prior calendar year. The Board proposed to repeal section 9 at the request of Standing Joint Committee for the Scrutiny of Regulations. This amendment came into force on 29 November 1995.

The Board is currently considering further amendments to the Regulations.

9. Regulations Pertaining to Frontier Oil and Gas Activities

The process of creating and amending regulations pertaining to frontier oil and gas activities, under the provisions of the *Canada Oil and Gas Operations Act*, proclaimed in force in September 1992, is continuing within the Board. At present, the regulatory agenda is as follows:

Regulations which have been published in Part I of the *Canada Gazette*

Canada Oil and Gas Installations Regulations

Canada Oil and Gas Diving Regulations - Consequential Amendments

Canada Oil and Gas Certificate of Fitness Regulations

Canada Oil and Gas Drilling Regulations - Amendments

Canada Oil and Gas Geophysical Regulations

Canada Oil and Gas Production and Conservation Regulations - Amendment

Regulations which have been published in Part II of the *Canada Gazette*

Newfoundland Offshore Petroleum Installations Regulations

Newfoundland Offshore Area Petroleum Diving Regulations - Amendments

Newfoundland Offshore Certificate of Fitness Regulations

Newfoundland Offshore Petroleum Drilling Regulations - Amendments

Newfoundland Offshore Area Petroleum Production and Conservation Regulations

Newfoundland Offshore Area Petroleum Geophysical Regulations

Nova Scotia Offshore Petroleum Installations Regulations

Nova Scotia Offshore Certificate of Fitness Regulations

Nova Scotia Offshore Petroleum Drilling Regulations - Amendments

Nova Scotia Offshore Area Petroleum Diving Regulations (January 29, 1994)

Nova Scotia Offshore Area Petroleum Production and Conservation Regulations

Nova Scotia Offshore Area Petroleum Geophysical Regulations

Regulations being drafted

Canada Oil and Gas Occupational Safety and Health Regulations - Amendments

Canada Offshore Oil and Gas Drilling Regulations - Re-structuring

Canada Oil and Gas Production and Conservation Regulations - Amendment

Canada Oil and Gas Diving Regulations - Amendments

Nova Scotia Offshore Spills and Debris Regulations

Newfoundland Offshore Area Petroleum Occupational Safety and Health Regulations

Nova Scotia Offshore Area Petroleum Occupational Safety and Health Regulations

Offshore Waste Treatment Guidelines
Physical Environmental Guidelines for Drilling Programs on Frontier Lands

Pursuant to an administrative arrangement between the Board and Natural Resources Canada, the Board is also working with the provinces of Newfoundland and Nova Scotia in drafting federal and provincial versions of the preceding regulations which pertain to the offshore areas under joint resource management accords.

10. *Offshore Waste Treatment Guidelines, 1995*

In October, the Board issued a second draft of the above Guidelines, which includes guidelines on use of oil based drilling muds, for review by industry and other government departments. Revised Guidelines are scheduled for issuance in 1996.

Administrative Matters

Electronic Regulatory Filing (ERF)

A Task Force of NEB, Ontario Energy Board and industry participants received and evaluated bids for contracting services that will play a critical role in the next two phases of ERF. This contract will be awarded and the successful bidder announced in January 1996. Work conducted in the next year will include:

Phase I Information Architecture, Design, Specification and Document Type Definition Development

This phase will act as the foundation for all subsequent ERF implementation and testing. Its purpose is to define the business requirements of organizations who will create, use and exchange electronic regulatory information with the Board and each other. Phase I activities will involve representatives from the Board, industry and government organizations, working in analytical teams. The scope of Phase I will be limited to evaluating the paper-based flow of business information in the existing regulatory framework, as well as the creation of new electronic document architectures to support ERF testing and implementation.

Phase II Proof of Concept and Pilot Projects

The scope of the second phase will be limited to testing deliverables (such as standardized Document Type Definitions) and proving these are workable for the creation, interchange and reuse of electronic regulatory documents.

The regulatory document types to be considered in Phase I and Phase II are:

- Export and import submissions (federally regulated)
- Facilities and rates submissions (federally and provincially regulated)
- Surveillance reports (federally and provincially regulated)

Franchises and funding (provincially regulated)

ERF presentations were made to government and industry participants at the Treasury Board Seminar on Electronic Documents in Ottawa on 23 November 1995 and at the NARUC Regulatory Symposium on Computer Information in Colorado on 1-3 October 1995. Document Standards subcommittees met in Vancouver on 26 and 27 October 1995. Meetings were also held with the Document Standards Committee on 11-12 December 1995 and the External Implementation Committee on 13 December 1995.

For more information, contact Project Manager Brenda Kenny at (403) 299-3565, Technical Project Manager Neil Levette at (403) 299-3613 or ERF Communications Officer Ruth Grenville at (403) 299-2719.

Speeches

"Issues Affecting Canadian Gas Supply" a presentation by R. Illing, Member, to the Intenco Conference, Canadian Natural Gas for the U.S. Electric Power Industry held on 2 and 3 October 1995 in Chicago, Illinois (Slides only)

"Issues Re New Pipeline Capacity: The Regulatory Perspective" a presentation by R. Priddle, Chairman, to the Natural Gas Summit held on 2 November 1995 in Calgary, Alberta (Slides only)

"Disappearing Energy Boundaries" a presentation by R. Priddle, Chairman, to the energy Council held on 1 December 1995 in Lake Louise, Alberta (Slides only)

Board Staff

In December 1995, **Brenda Kenny** was appointed Director, Finance, Administration, Information Technology Branch (FAIT). Brenda has worked for the Board since 1981 in various engineering positions, as project manager for the Electronic Regulatory Filing project and acted as Director, FAIT.

In December 1995, **Terry (Terrance) Rochefort** was appointed Director, Financial Regulation Branch. He joined the Board from the Canadian Radio-television and Telecommunications Commission, Ottawa for whom he had worked since 1986. He worked on assignment with the European Bank for Reconstruction and Development in London, England immediately prior to his appointment.

Reports and Documents Issued - 1 October to 31 December 1995

Reasons for Decision

Foothills Pipe Lines Ltd. - Tolls - RH-1-95 - October 1995

TransCanada PipeLines Limited - 1996/1997 Facilities Application - GH-3-95 - November 1995

TransCanada PipeLines Limited - 1996 Tolls, Phase I - RH-2-95 - December 1995

Reports

Remaining Authorized Gas Exports Under Long-term Licences as of 1 November 1995 - November 1995

Natural Gas Market Assessment - Price Convergence in North American Natural Gas Markets - December 1995

NEB Report R95-1 - Response to Recommendation in Transportation Safety Board Report Number P90H0606 - November 1995

Instructions for Filing

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 311 - Sixth Avenue S.W., Calgary, Alberta, T2P 3H2; Telephone (403) 292-4800; Fax (403) 292-5503.

Appendix I lists the number of copies required for the different types of applications.

Telephone Numbers

A current list of Board Members and key staff telephone numbers is attached as Appendix II.

Electronic Bulletin Board

Bulletin Board System, (403) 299-2751

Bulletin Board System Helpline 9:30 to 10:30 a.m. (MT) (403) 299-3919

The bulletin board is available around the clock, with the exception of specified hours for data loading or occasional system upgrades. Bulletin board users can obtain news releases, hearing orders, regulatory agendas, decision overviews, appendices to the Annual Report and selected oil and gas statistics in electronic format. All information will be posted in both official languages. A user guide with instructions is available for reference. Users should set their communications software to:

- 300, 1200, 2400, 9600, 14 400 or 16 800 baps;
- full duplex;
- no parity;
- eight data bits; and
- one stop bit.

Board Document System (BDS)

The Board has a BDS system available to the public, offering direct access to an electronic library of regulatory documents. Document contents may be searched on-line with full-text search capabilities. Presently, the system contains Reasons for Decision dating from 1985 and hearing transcripts from 1991. Other document types will be added gradually, as they become available in standardized electronic format. The BDS may be used from remote locations or at the Board's Calgary office. The only cost to users will be long-distance telephone charges, if any, to connect to the system.

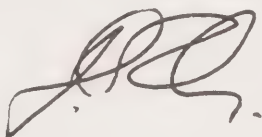
All users are asked to register with the Board and sign a public access agreement. This agreement explains the responsibilities of the user and outlines relevant terms and conditions. Request for a user account may be made by mail, facsimile or telephone to our Regulatory Support Office (403) 292-4800. For more information, a brochure on the Board Document System is also available to interested parties.

Mailing Lists

If you are not already on the Board's mailing lists and wish to be added thereto, please write to the Secretary of the Board providing your mailing address and the type of material you would be interested in receiving. The following are the Board's current mailing lists:

- L1: Everything the Board issues
- L4: Oil and gas matters
- L5: Electrical matters
- L6: Annual Report only
- L7: News Releases only
- L8: Regulatory Agenda only
- L9: Environmental matters

National Energy Board



J. S. Richardson
Secretary

For copies of documents contact:
For information contact:

Regulatory Support Office (403) 292-4800
Denis Tremblay, Communications Officer (403) 299-2717

APPENDIX I

NUMBER OF COPIES REQUIRED FOR FILINGS

Applicants are requested to provide the following number of copies of their applications or other filings to the National Energy Board. For matters not listed below, one copy is sufficient.

Type of Application or Filing	No. of Copies	Type of Application or Filing	No. of Copies
(a) Hearing Matters		(iii) Oil Exports	
(i) Certificates		Registered Oil Export Orders	05
Pipeline	25	(iv) Tolls	
Power Line	20	Class I and II Adjustments	20
(ii) Export Licence		Interim Orders	20
Natural Gas	25	Operating and Maintenance Budgets	20
Electricity	20	Changes in Depreciation Rates	20
(iii) Tolls	25	Quarterly Surveillance Reports	20
(iv) Land Acquisitions	20	New or Changed Tariffs	20
(b) Non-Hearing Matters		Domestic Gas Sales Contracts and Amendments	20
(i) Natural Gas		Amendments to Tariff Orders	20
Export Orders	20	(v) Pipelines and Power Lines	
Orders for Transmission Access	20	Permits	15
Licence Amendments	20	Exemption Orders Pipelines (Sec. 58)	20
Amendments to Export Contracts	20	Certificate Amendments	20
Licence Revocations	20	Leave to Sell or Transfer	20
(ii) Electricity Exports		Incident Reports	20
Permits	15	(vi) Other	
Licence or Permit Amendments	15	Application for Review	20
Licence or Permit Revocations	15		

The number of copies of interventions or submissions to be provided in response to applications will be specified in the applicable hearing order. Private individuals who would find the provision of multiple copies an undue financial burden may file one copy, with a request to be excused from multiple filing.

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 311 - Sixth Avenue S.W., Calgary, Alberta, T2P 3H2: Telephone (403) 292-4800; Fax (403) 292-5503.

Appendix II

Selected List of Telephone Numbers (Area Code 403)

General Information		292-4800	General Information and Board Distribution Centre		292-4800
Incident Reporting Number		1-800-632-1663	FINANCE, ADMINISTRATION AND INFORMATION TECHNOLOGY BRANCH		
		1-800-NEB-1-ONE			
Bulletin Board System		299-2751			
Bulletin Board System Helpline					
9:30 to 10:30 a.m. (MT)		299-3919			
BOARD MEMBERS			<i>Director</i>	Brenda Kenny	299-3565
			Secretary	Lilly Armstrong	299-3692
			<i>Manager, User Services</i> (Information Technology)		
Chairman	Roland Priddle	299-2724		Ken Wing	299-3602
Chairman's Assistant	Esther Binder	299-2725	<i>Project Manager, Electronic</i>		
Secretary	Carmen Morin	299-2726	<i>Regulatory Filing</i>		
Vice-Chairman	Kenneth Vollman	299-2730		Brenda Kenny	299-3565
Secretary	Lillian Handelman	299-2741	<i>A/Manager,</i> <i>Network Management</i>		
Member	Anita Côté-Verhaaf	299-2739		Neil Levette	299-3613
Secretary	Lillian Handelman	299-2741	PERSONNEL BRANCH		
Member	Roy Illing	299-2729	<i>Director</i>	Jim Thompson	299-3694
Secretary	Mona Butler	299-2728	Secretary	Betty Burton	299-3695
Member	Robert Andrew	299-2736	ECONOMICS BRANCH		
Secretary	Mona Butler	299-2728	<i>Director</i>	John Hayward	299-2757
Temporary Member	Judith Snider	299-2737	A/Secretary	Colleen Holt	299-3629
Secretary	Lorraine Welsh	299-2734	<i>Economics and Energy Analysis Division</i>		
<i>Temporary members for the purpose of the review of the Express Pipeline Project</i>			Manager	Bob Modray	299-3157
Temporary Member	Glennis Lewis	299-2744	<i>Regulatory Economics Division</i>		
Temporary Member	Richard Revel	299-2740	Manager	Glenn Booth	299-3621
Secretary	Lorraine Welsh	299-2734	ENERGY COMMODITIES BRANCH		
EXECUTIVE DIRECTOR			<i>Director</i>	Raymond Choy	299-3189
Executive Director	Gaétan Caron	299-2700	Senior Secretary	Jan McClintock	299-3166
Admin. Assistant	Jan Dane	299-2701	Admin. Assistant	Linda Byers	299-3185
OFFICE OF THE SECRETARY			<i>Electric Power</i>		
<i>Secretary</i>	Scott Richardson	299-2711	Manager	Ivan Harvie	299-3165
Admin. Coordinator	Rita Bargetzi	299-2715	<i>Gas Export</i>		
Administrative and Regulatory Assistant	Josée L'Heureux	299-2712	Manager	Cliff Brown	299-3190
A/Assistant Secretary, Regulatory	Michel Mantha	299-2714	<i>Gas Market Analysis and Export Surveillance</i>		
A/Assistant Secretary, Communications	Karla Reesor	299-2713	Manager	Sandra McDonough	299-3186
Communications Officer	Denis Tremblay	299-2717	<i>Transportation and Oil Exports</i>		
Communications Officer	Ross Hicks	299-3930	Manager	Hans Pols	299-3195
Communications Officer	Ruth Grenville	299-2719	ENERGY RESOURCES BRANCH		
Library, Information		299-3561	<i>Director</i>	Graham Campbell	299-3102
			Admin. Coordinator	Jeanne Chevrier	299-3517
			Secretary	Pat Cormier	299-3103

**Crude Oil, NGL
and Coal Supply Division**

Manager Gerrit Hos 299-3120

Natural Gas Supply Division

Manager Paul Bourgeois 299-3149

Reservoir Engineering Division

Manager Cliff Gemeroy 299-3138

Geology and Resource Assessment Division

Manager Bruce Young 299-3147

ENGINEERING BRANCH

Director John McCarthy 299-2766

Admin. Coordinator Cecilia Cupido 299-2752

Development Engineering and Group II Pipelines

Manager Terry Baker 299-2792

Safety Audit

Manager Franci Jeglic 299-2774

Accident Investigation

Manager Jake Abes 299-2777

**Group I Pipelines - Westcoast, Interprovincial, Foothills,
Alberta Natural Gas and Cochin**

A/Manager Paul Trudel 299-2768

**Group I Pipelines - TransCanada, Gazoduc T.Q.M., Trans
Mountain and Trans-Northern**

A/Manager Paul Trudel 299-2768

Regulatory Development and Safety Studies

A/Manager Robert Power 299-2769

ENVIRONMENT BRANCH

Director Ken Sato 299-3675

Admin. Coordinator Paulette Richard 299-3680

Secretary Geraldine Metcalfe 299-3676

Biological Sciences Division

Manager Jim McComiskey 299-3677

Physical Sciences Division

Manager Oleh Mycyk 299-3678

**Operations Emergency Response and Financial Liability
Division**

Manager Jim Anderson 299-3682

Socio-Economics and Lands

Manager John Stewart 292-5048

Environmental Studies Research Funds

Manager Oleh Mycyk 299-3678

FINANCIAL REGULATION BRANCH

Director Terrance Rochefort 299-3646

Secretary Janet Soucy 299-3648

**Interprovincial Pipe Lines, Trans-Northern
Pipelines, Alberta Natural Gas, Foothills Pipe Lines**

A/Manager Karen Overli 299-3661

**Westcoast Energy Inc.,
Trans Mountain Pipe Line and Cochin Pipe Lines**

Manager Albert Fung 299-3662

**TransCanada PipeLines, Gazoduc T.Q.M. and
Interprovincial (NW)**

Manager Steve Brown 299-3653

LAW BRANCH

General Counsel Judith Snider 299-2737

A/Director Judith Hanebury 299-3552

Secretary Susan Gudgeon 299-2704

Counsel Peter Noonan 292-3552

Counsel Claire McKinnon 299-2708

Counsel Gord Nettleton 299-2703

Secretary Corina Smith 292-6540

Counsel Boris de Jonge 292-6495

Counsel Irene Gendron 299-2709

Counsel Christine Beauchemin 292-6489

Secretary 292-6540

PROFILE

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament. Over the course of its history, it has played an important role in the development of Canada's energy sector.

The Board's regulatory powers under the *National Energy Board Act* include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and designated interprovincial and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment, and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by the Ministry of Labour to administer Part II of the *Canada Labour Code*.

National Energy Board
311 Sixth Avenue S.W.
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Regulatory Agenda

Issue No. 56

(The period covered in this Regulatory Agenda is 1 January to 31 March 1996)

1 April 1996

Applications Considered by Public Hearing

Oral Hearings

Recent Hearing Decisions

1. Gas Export Hearing - GH-4-95

Reasons for Decision, Volume 1, dated January 1996; issued on 16 January 1996. Letter Decision dated 20 February 1996; issued on 1 April 1996.

The Board approved three export applications and one application to extend an existing export licence and denied one export application.

Altresco Pittsfield, L.P. was issued a 16-year licence to export some 895 000 cubic metres (31.5 million cubic feet) of natural gas per day at Niagara Falls, Ontario. The natural gas will be used to fuel Altresco's cogeneration facility in Pittsfield, Massachusetts.

Crestar Energy was issued a five-year licence to export some 180 000 cubic metres (6.3 million cubic feet) of natural gas per day at Monchy, Saskatchewan. The natural gas will be sold to Northern States Power, a local distribution company in the State of Minnesota.

Enron Capital & Trade Resources Corp. was issued a ten-year licence to export some 425 000 cubic metres (15 million cubic feet) of natural gas per day at Iroquois, Ontario. The natural gas will be used to serve markets currently under long-term contract to Enron.

The Board also approved an application from Husky Oil Operations Ltd. to extend an existing export licence by two years from 1 November 2004 to 31 October 2006. Under the existing licence Husky is authorized to export some 424 900 cubic metres (15.1 million cubic feet) of natural gas per day at Emerson, Manitoba to Midland Cogeneration Venture Limited Partnership which operates a cogeneration facility in Midland, Michigan.

The Board denied a joint application from Morgan Hydrocarbons Inc. and Coastal Gas Marketing Company. The Board denied the application because Morgan/Coastal did not file sufficient information on gas supply to substantiate that it could accommodate the term of the export contract.

Morgan/Coastal had applied for a 10-year and six-month licence to export some 283 300 cubic metres (10 million cubic feet) of natural gas per day at Iroquois, Ontario. The natural gas would have been used by Coastal to serve its markets in the U.S. Northeast which consist primarily of local distribution companies, electric generation companies and industrial end users.

The Board held a one day public hearing on the applications in November 1995 in Calgary.

2. Novagas Clearinghouse Pipeline Ltd. - Pesh Creek Pipeline - GH-1-96

Decision rendered on 23 January 1996; Reasons for Decision issued on 2 February 1996.

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Preface

The purpose of this quarterly agenda is to provide information on recent hearing reports, advance notice of forthcoming regulatory actions, and information on the status of ongoing proceedings.

Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the National Energy Board Act, R.S.C. 1985, c.N-7, as amended.

National Energy Board



The Board approved an application from Novagas to construct and operate a 16.5-kilometre (10 miles) long natural gas pipeline which will transport natural gas from a proposed separation, compression and metering facility in northeastern British Columbia to a proposed metering facility in northwestern Alberta. The pipeline will have the capacity to deliver 1.7 million cubic metres (60 million cubic feet) per day of natural gas. The estimated capital cost of the project is \$2.9 million. The in-service date is planned for 30 April 1996.

The Board held a two day public hearing on the application in January 1996 in Calgary.

(Refer to item 1 under *Referral Pending* on page 13)

3. *Trans Mountain Pipe Line Company Ltd. - 1995-1996 Tolls - RH-3-95 and RHW-2-96*

Letter decision dated and issued on 10 January 1996 regarding revenue requirement for 1995; Reasons for Decision on toll design dated and issued on 16 February 1996; Reasons for Decision on the negotiated settlement dated March 1996 and issued on 27 March 1996.

In its 10 January 1996 decision, the Board approved a revenue requirement for 1995 of \$95.5 million which was negotiated between Trans Mountain and its principal shippers and the Canadian Association of Petroleum Producers.

In its February 1996 Decision, the Board approved Trans Mountain's toll design proposals as set out in its 29 September 1995 toll application. These proposals concerned charges and credits for tankage and certain receipt and delivery facilities. An oral hearing was held on these matters in Vancouver from 27 to 29 November 1995.

In its March 1996 Decision, the Board approved a negotiated settlement establishing an incentive toll methodology. Trans Mountain filed an application on 29 January 1996 for approval of a

settlement negotiated by the above mentioned parties. The approved settlement is based on incentive toll principles. The agreed-upon methodology forms the basis for the calculation of Trans Mountain's revenue requirement for the years 1996-2000, inclusive.

4. *TransCanada PipeLines Limited - 1996 Tolls - RH-2-95*

Reasons for Decision on Phase 2 dated 22 February 1996; issued on 22 February 1996.

In its Phase 2 decision, the Board approved TransCanada's Incentive Cost Recovery and Revenue Sharing Settlement and a proposal for the disposition of the 1995 Stress Corrosion Cracking (SCC) Deferral Account.

The Board had cancelled the oral hearing initially scheduled for Phase 2 of the TransCanada 1996 toll hearing. In its place, the Board requested that TransCanada hold an open forum to present the Settlement and provide parties an opportunity to question TransCanada on the Settlement. The open forum was held on 29 January 1996 in Calgary.

The Settlement applies to the determination of the net revenue requirement utilized by TransCanada in the calculation of tolls for the transportation of natural gas on its system for the years 1996 to 1999, inclusive. The Settlement provides additional incentive to manage costs, maximize discretionary revenue and generate increased earnings from TransCanada's pipeline operations.

The Board also approved the disposition of the balance of the 1995 SCC deferral account, together with carrying costs, on a 50/50 basis between TransCanada and its tollpayers.

In December 1995, following an oral hearing that month, the Board issued its decision with respect to Phase 1 of the Hearing. In its decision, the Board approved a number of toll and tariff resolutions which had been resolved by the 1996 Tolls Task Force. The Board also approved a revised "suite of services"

methodology to calculate the Firm Service Tendered differential for 1996.

5. *Westcoast Energy Inc. - Fort St. John Expansion - GH-5-94*

Reasons for Decision dated February 1996; issued on 4 March 1996.

The Board approved an application by Westcoast to install two pipeline loops, construct a new gas plant at Aitken Creek, three compressor unit additions and expand the Fort St. John Raw Gas Transmission system.

On 26 May 1995, a majority of the Hearing Panel decided that the Board did not have jurisdiction over the facilities in respect of which the application was made, except for the proposed loop of the Aitken Creek pipeline that would connect the new Aitken Creek plant with Westcoast's main transmission line. The application was accordingly dismissed. Westcoast appealed the Board's decision to the Federal Court of Appeal (refer to item 1 under *Appeals Completed* on page 12 and item 4 under *Appeals Pending* on page 13). On 9 February 1996, the Court set aside the decision of the Board declining jurisdiction and directed it to decide the application on its merits.

The new plant at Aitken Creek will be capable of processing 9.05 million cubic metres (320 million cubic feet) per day of raw gas. Aitken Creek is located 130 kilometres (81 miles) north of Fort St. John. The estimated cost of the proposed expansion is \$398 million.

The Board also approved Westcoast's request that the tolls for the services to be provided through the applied-for facilities be determined on a rolled-in basis.

A public hearing on the application was held in Fort St. John and Vancouver between 6 February 1995 and 10 March 1995.

(Note: On 4 April 1996, Westcoast advised the Board that it will not proceed with the Fort St. John expansion.)

6. *Westcoast Energy Inc. - 1996 Tolls - RH-1-96*

Reasons for Decision dated March 1996; issued on 28 March 1996.

The Board approved a negotiated settlement regarding new tolls to be charged by Westcoast for transportation of natural gas, effective 1 January 1996.

The settlement provides for a 1996 revenue requirement of \$509.7 million, which amounts to an estimated increase of 7.8 percent over 1995 tolls. The revenue requirement reflects the Board-approved rate of return on equity of 11.25 percent that was set for 1996 according to the adjustment mechanism contained in the Board's RH-2-94 Multi-Pipeline Cost of Capital decision.

Westcoast filed a letter on 18 January 1996 to advise the Board of a settlement negotiated by the company and certain interested parties. On 29 January 1996, the Company requested that the Board amend its interim tolls to reflect the terms of the settlement as well as the impact of not proceeding with its 1996 mainline looping projects.

On 6 February, the Board decided to adopt a written procedure to consider the settlement and cancelled the oral hearing dealing with Westcoast's 1996 tolls scheduled for March 1996.

Hearing Decisions Pending

1. *Express Pipeline Ltd. - Pipeline Facilities - OH-1-95*

The Board held a public hearing from 15 January to 7 March 1996 in Calgary on an application by Express to construct and operate an oil transmission pipeline from Hardisty, Alberta to the international boundary near Wild Horse, Alberta and for related toll and tariff authorizations. The application was heard by a joint panel consisting of two permanent NEB members and two temporary members nominated by the Minister of the Environment pursuant to the *Canadian Environmental Assessment Act*.

The Canadian portion of the proposed Express Pipeline would consist of approximately 435 kilometres (270 miles) of 610 millimetre (24 inch) diameter pipeline extending south from Hardisty, Alberta to the international border near Wild Horse, Alberta, as well as associated terminaling, storage, and pumping facilities (at an estimated total cost of about \$207 million). On the U.S. side, the pipeline would continue across the State of Montana and terminate near Casper, Wyoming. The pipeline is planned to have an initial capacity of approximately 27 400 cubic metres (172 000 barrels) of crude oil per day, with linefill activities scheduled to start in December 1996.

2. *TransCanada PipeLines Limited - St. Clair River Crossing - GH-2-96*

The Board held a public hearing on 26 and 27 March 1996 in London, Ontario on an application by TransCanada to cross the St. Clair River near Sarnia, Ontario.

TransCanada applied for approval to construct a 0.4-kilometre long pipeline crossing of the St. Clair River near Sarnia. The application includes the construction of a pig receiver at the Dawn - Tecumseh Sales Meter facility. The facilities would provide 3.3 million cubic metres (118 million cubic feet) per day of additional capacity on TransCanada's Dawn Extension and provide additional security in the event of loss of one of the existing crossings. The estimated cost of the facilities is \$4.18 million.

Hearings Scheduled

1. *Morgan Hydrocarbons Inc. - Complaint Re: Murphy Oil Company Ltd. and Manito Pipelines Ltd.*

The Board will hold a public hearing commencing on 21 May 1996 in Calgary on an application by Manito to abandon a portion of its pipeline. Subsequent to releasing its decision on the abandonment application, the Board will consider a complaint by Morgan regarding jurisdiction over pipeline

facilities owned by Murphy and access to and the tolls on Manito's pipeline system which is operated by Murphy and regulated by the Board.

In December 1995, Morgan filed an application requesting that the Board assert jurisdiction over certain facilities owned by Murphy and seeking the establishment of fair, equitable and non-discriminatory terms for access to such facilities and just and reasonable tolls for their use. The application also constituted a complaint in respect of the tolls presently charged on the Manito system. In its application, among other things, Morgan asked the Board to:

- a) assert jurisdiction over certain Murphy facilities;
- b) set new tolls for Manito;
- c) institute an investigation into the present restrictions on access to the facilities of Manito and Murphy;
- d) direct Murphy to separate its transportation and merchant functions; and
- e) regulate the Manito/Murphy companies as a Group 1 pipeline.

In January, the Board made Manito's tolls interim pending the Board's investigation into these matters.

In January 1996, Manito applied for approval to abandon approximately 22 kilometres (13 miles) of pipeline on its system from Blackfoot, Alberta to Dulwich, Saskatchewan. The abandonment, if approved, could affect the Board's jurisdiction of the Manito system.

On 15 March 1996, Murphy and Manito jointly filed a motion requesting that (1) the Board hear and decide on the application for abandonment ahead of the complaint (2) exempt Murphy from filing certain confidential information and (3) amend the hearing order by removing the requirement to file information requests and responses thereto with respect to the complaint until the Board has decided on the abandonment application. The Board sought comments from interested parties on the motion.

On 4 April 1996, the Board decided to grant the three points presented in the motion.

2. *Interprovincial Pipe Line Inc. - System Expansion Phase II - OH-1-96*

The Board will hold a public hearing commencing on 3 June 1996 in Calgary on an application from Interprovincial for approval to expand its oil pipeline system.

Interprovincial is requesting authorization to construct approximately 148 kilometres (89 miles) of oil pipeline from a point near Edmonton to a point near Hardisty, Alberta. Interprovincial also proposes to replace 12 kilometres (7.2 miles) of pipeline at various locations between Hardisty and Herschel, Saskatchewan. It also proposes to add, modify and replace pumping units and to undertake other modifications to its system. Interprovincial states that the expansion would increase the capacity of its system to Chicago by approximately 19 600 cubic metres (123 000 barrels) per day. The estimated cost of the expansion is \$140 million. The expected in-service date is no later than the second half of 1998.

Written Hearings

Recent Hearing Decision

1. *Interprovincial Pipe Line Inc. and Westspur Pipe Line Company Inc. - Facilities Expansion - OHW-2-95*

Reasons for Decision dated January 1996; issued on 18 January 1996.

The Board approved applications from Interprovincial and Westspur to expand their pipeline systems.

Interprovincial will be constructing pumping and associated facilities necessary to expand the capacity of its system to allow delivery of an incremental volume of approximately 18 900 cubic metres (120 000 barrels) per day. The company will also be installing two new tanks at its existing terminal locations, one at Hardisty, Alberta and one

at Cromer, Manitoba. Interprovincial estimates the expansion will cost \$86 million. The planned in-service date is 31 December 1996.

Westspur will be constructing a 33.4 kilometre (21 miles) long pipeline from its Steelman terminal in Saskatchewan to the international border near North Portal, Saskatchewan. At the international border, an interconnection will be made to a new segment of pipeline to be constructed by Portal Pipe Line Company. The expansion will also include pump unit additions and modifications to existing facilities at Westspur's Steelman pump station. The expansion will increase Westspur's capacity by 7 950 cubic metres (50 000 barrels) per day. Westspur estimates the expansion will cost \$5.25 million. The planned in-service date is the third quarter of 1996.

Since Westspur's application complements Interprovincial's application, the Board considered the two applications together.

Hearing in Progress

2. *Trans Québec & Maritimes Pipeline Inc. - 1996 Tolls - RHW-1-96*

The Board is conducting a written hearing on an application from TQM for approval of tolls to be charged on its natural gas transmission system effective 1 January 1996.

TQM is requesting approval of a revenue requirement of \$66.8 million for 1996, which is 5.0 percent higher than was authorized by the Board for 1995. The revenue requirement has been calculated on the basis of a rate of return on equity of 11.25 percent and a common equity ratio of 30 percent.

Hearing Adjourned

1. *PanCanadian Petroleum Limited - Pipeline Facilities - GHW-1-95*

(Refer to item 1 under Hearing Adjourned on page 3 of the 1 January 1996 issue of the *Regulatory Agenda*.)

Hearing Applications Filed

1. *Westcoast Energy Inc. - Pine River Plant and Grizzly Valley Raw Gas Transmission System*

On 9 February 1996, the Federal Court of Appeal decided that Board had jurisdiction over this application. Westcoast had requested that the Board refer the application to the Federal Court of Appeal because of the Board's ruling in its Reasons for Decision GH-5-94, issued 26 May 1995, on the constitutional question of jurisdiction (refer to item 1 under *Appeals Completed* on page 12).

On 10 July 1995, Westcoast applied for approval to expand its Pine River Plant and Grizzly Valley Raw Gas Transmission System in northeastern British Columbia. The proposed expansion also includes the Sukunka Fuel Gas Pipeline, a loop of the Pine River Mainline and modifications to Compressor Station No. 2.

The application provides for the expansion of the existing Pine River Plant rather than construction of a new plant at Tumbler Ridge as proposed in the company's expansion plans filed with the Board in November 1994 (refer to 1 under *Hearing Application Adjourned* on page 4 of the 1 July 1995 issue of the *Regulatory Agenda*).

On 27 February 1996, the Board sent a letter to Westcoast asking whether the Grizzly Valley application dated 10 July 1995 should be treated as a fresh application or as an amendment to the original GH-6-94 application dated 4 November 1994. The Board also asked Westcoast to confirm if it is their intention to withdraw the original Grizzly Valley expansion application dated 4 November 1994.

2. *Westcoast Energy Inc. - Helmet/Peggo Facilities*

On 15 January 1996, Westcoast applied for approval to acquire from 3181782 Canada Inc. certain natural gas pipelines and associated facilities in the Helmet North, Midwinter and Peggo

gas producing areas in northeast British Columbia and for a certificate to operate the Helmet/Peggo facilities. The estimated cost of the Helmet/Peggo facilities is \$30 million.

3. Various Gas Export Applications

On 2 February 1996, the Board announced that it was considering holding its next public hearing on applications for natural gas export licences in May 1996. The Board gave notice to all potential applicants that completed applications must be filed on or before 29 February 1996, later extended to 29 March 1996, in order to be included in the May proceeding.

The Board received nine applications for licences to export some 3.5 million cubic metres (120 million cubic feet) of natural gas per day for periods ranging from five to 20 years.

The applications received were from:

- a) Coastal Gas Marketing Company for export to American Crystal Sugar Company of Minnesota

and ProGold Limited Liability Company of North Dakota (Petro-Canada supply);

- b) Coastal Gas Marketing Company for export to American Crystal Sugar Company of Minnesota and ProGold Limited Liability Company of North Dakota (Morrison Petroleum Ltd. supply);
- c) Coastal Gas Marketing Company for system supply to serve its U.S. Northeast market (seven suppliers);
- d) Coastal Gas Marketing Company for system supply to serve its U.S. Northeast market (Rio Alto Exploration Ltd. supply);
- e) Renaissance Energy Ltd. for export to Iroquois Energy Brokers, LLC for resale to end-use customers in the states of New York and Pennsylvania;
- f) St. Lawrence Gas Company, Inc. for system supply to serve its existing market in northern New York state;

- g) Talisman Energy Inc. for sale to Eastern Energy Marketing, Inc. to be used at the Glenns Ferry Cogeneration Project located at Glenns Ferry, Idaho;
- h) Talisman Energy Inc. for sale to Eastern Energy Marketing, Inc. to be used at the Rupert Cogeneration Project located at Rupert, Idaho; and
- i) Morgan Hydrocarbons Inc. and Coastal Gas Marketing Company, joint application, to serve Coastal's markets in the U.S. Northeast (see item 1 under *Oral Hearings, Recent Hearing Decisions* on page 1).

Public Inquiry

1. Stress Corrosion Cracking (SCC)

The Board will hold the public hearing portion of the inquiry on SCC commencing on 15 April 1996 in Calgary.

The Board announced on 20 September 1995 that two types of preparatory work would be conducted prior to the public hearing. The first involved gathering information on the status of research on SCC and the experience of pipeline companies and other regulatory agencies. Secondly, the Board said it would meet with several communities to discuss public concerns.

The Board has now met with 16 different organizations that have a knowledge of SCC. As well, Board representatives met informally with residents and municipal officials in the areas of Rapid City, Manitoba, and Vermillion Bay, Williamstown and Cardinal, Ontario, which are localities of recent pipeline failures. Board representatives also met with representatives of the Ontario Pipeline Landowners Association.

The meeting notes and reports of both the technical and community meetings are available for inspection in the Board's library.

SCC involves a complex process which can result in the formation of cracks on the surface of a buried pipeline. In severe cases, the pipeline can fail if the cracking goes undetected for several years. There have been seven pipeline failures on the TransCanada PipeLines system and 13 failures on other Canadian pipeline systems attributed to SCC since 1977. The Board announced 11 August 1995 that because it is seriously concerned about the increased incidence of SCC it would hold a wide-ranging public inquiry on the occurrence of SCC on Canadian oil and gas pipelines.

Other Applications

The Board had, or has, before it a number of applications and other matters that do not require public hearings. Since the 1 January 1996 issue of the *Regulatory Agenda*, the matters below have been or are being considered by the Board.

Energy Commodity Matters

Natural Gas

Matters Completed

1. *Alberta Northeast Gas Limited - Contract Amendments - Natural Gas Export Licences GL-102, GL-103, GL-104 and GL-105.*

On 31 January 1996, the Board approved applications dated 15 December 1995 from Alberta Northeast for:

- a) approval of amendments, all dated 27 November 1995, to 16 gas sales contracts with 16 repurchasers underpinning exports under Licence GL-102 held by Alberta Northeast/TransCanada Gas Marketing Limited;
- b) approval of amendments, all dated 27 November 1995, to nine gas sales contracts with nine repurchasers underpinning exports under Licence GL-103 held by Alberta Northeast/ProGas Limited;
- c) approval of amendments, all dated 27 November 1995, to nine gas sales contracts with nine repurchasers underpinning exports under Licence GL-104 held by Alberta Northeast/ATCOR Limited; and
- d) approval of amendments, all dated 27 November 1995, to nine gas sales contracts with nine repurchasers underpinning exports under Licence GL-105 held by Alberta Northeast/AEC Oil and Gas Company.

2. *Indeck-Yerkes Limited Partnership - Gas Sales Contract with Talisman Energy Inc. - Natural Gas Export Licence GL-215*

On 11 January 1996, the Board approved an application, dated 15 November 1995, by Indeck-Yerkes allowing it to export natural gas to be purchased from Talisman in addition to the present supplier, Northstar Energy Corporation. Under Licence GL-215, Indeck-Yerkes exports natural gas to two cogeneration plants in the State of New York.

3. *Poco Petroleum Ltd. - Contract Amendments - Natural Gas Export Licences GL-173, GL-174 and GL-205*

On 7 March 1996, the Board approved applications, all dated 15 January 1996, from Poco for:

- a) approval of an Amended Gas Purchase Contract with Washington Natural Gas Company underpinning exports under Licence GL-173;
 - b) approval of an Amended Gas Purchase Contract with Intermountain Gas Company underpinning exports under Licence GL-174; and
 - c) approval of amendments to the Gas Purchase Contract dated 1 June 1991 with Northwest Natural Gas Company underpinning exports under Licence GL-205.
4. *Shell Canada Limited - Contract Amendments - Natural Gas Export Licence GL-134*

On 2 February 1996, the Board approved an application dated 11 January 1996 from Shell for approval of an Assignment Agreement, dated 15 December 1995, with Salmon Resources Ltd. and an Amending Agreement, dated 15 December 1995, between Salmon and Cogen Energy Technology L.P. underpinning exports under Licence GL-134.

5. *Westcoast Gas Services Inc. - Contract Amendments - Natural Gas Export Licence GL-221*

On 2 February 1996, the Board approved an application dated 11 January 1996 from Westcoast for approval of an Amended and Restated Gas Sales Contract which will amend and supersede the current 1991 Gas Sales Contract with Northwest Natural Gas Company underpinning exports under Licence GL-221.

Oil

Matters Completed

1. *Crude Oil Export by Marine Vessel from the West Coast*

Under the Board's Part VI Regulations, a specific order is required for an exporter to make shipments by marine vessel from the west coast where the crude oil has a sulphur content greater than 0.9 percent by weight. These regulations were put into effect in December 1985 to monitor air quality impacts from inadvertent odour emission of hydrocarbons and sulphur compounds.

The Board approved the following applications:

Alberta Petroleum Marketing Commission
Applications dated 22 December 1995 and 2 January 1996
Volumes: 148 653 cubic metres (935 000 barrels)
Period: 9 January to 6 February 1996
Order: ROE-136-96 dated 9 January 1996

Amoco Canada Petroleum Ltd.
Application dated 18 December 1995
Volumes: 39 746.9 cubic metres (250 000 barrels)
Period: 1 February to July 1996
Order: ROE-137-96 dated 11 January 1996

Amoco Canada Petroleum Ltd.
Application dated 17 January 1996
Volumes: 66 774.8 cubic metres
(420 000 barrels)
Period: 15 February to 20 March
1996
Order: ROE-138-96 dated 23 January
1996

Electricity

Matters Completed

1. *Saskatchewan Power Corporation - Electricity Export Permits*

On 14 March 1996, the Board approved an application dated 26 October 1995 from Saskatchewan Power for two ten-year permits to export up to 800 megawatts of short-term firm power in any consecutive twelve-month period and up to 7 008 gigawatt hours of energy on either a firm or interruptible basis.

2. *New Brunswick Power Corporation - Application for an Electricity Permit*

On 20 February 1996, the Board approved an application, dated 30 September 1995, from NB Power for a 20-year permit to export 740 megawatts of firm and interruptible power and 6 482 gigawatt hour of firm and interruptible energy pursuant to existing and new agreements for periods not exceeding five years.

Matters Under Consideration

3. *Alberta Power Limited and CU Power International Limited - Electricity Export Permit*

On 21 December 1995, Alberta Power and CU Power applied for a 10-year permit to export up to 10 600 gigawatt hours per year of either firm or interruptible electricity commencing on 15 January 1996.

4. *British Columbia Power Exchange Corporation (POWEREX) - Electricity Export Permit*

On 13 December 1995, POWEREX applied for a permit to export up to 145 megawatts of power and up to 340 gigawatt hours of firm energy in the

first contract year of the requested permit and up to 770 gigawatt hours of firm energy in the following four contract years pursuant to a Sales Agreement with Intalco Aluminum Corporation of Ferndale, Washington. POWEREX requested, pursuant to section 16.1 of the NEB Act, that the Board order that POWEREX need not supply a copy of the sales agreement.

On 17 January 1996, the Board sent a letter to POWEREX requesting additional information.

5. *British Columbia Power Exchange Corporation (POWEREX) - Electricity Export Permit*

On 19 March 1996, POWEREX applied for a four-year permit to export up to 20 megawatts and up to 176 gigawatt hours of firm electricity to Eugene Water and Electric Board of Oregon commencing 1 October 1996.

6. *Ontario Hydro - Amendments to Electricity Export Permit EPE-21*

On 20 July 1995, Ontario Hydro applied for approval to amend Permit EPE-21 by removing certain conditions from the permit. On 24 August 1995, the Board sent a letter to Ontario Hydro seeking comments on the proposed amended conditions. No response has been received to date.

Permit EPE-21 authorizes Ontario Hydro to export interruptible energy of up to 25 000 gigawatt hours per consecutive 12-month period less actual exports under Permit EPE-23. The permit is for the period 1 July 1991 to 30 June 2006.

7. *Westcoast Gas Services Inc. - Electricity Export Permit*

On 1 March 1996, Westcoast applied for a 10-year permit to export quantities not expected to exceed 250 gigawatt hours of firm and/or interruptible electricity commencing on the date of approval. Westcoast is also seeking authorization to enter into individual contracts of up to five years without having to obtain a specific permit each time in advance from the Board.

Pipeline Matters

Matters Completed

1. *Novacorp International (Canada) Ltd., and St. Clair Pipelines Limited - Pipeline Under the Detroit River*

On 8 February 1996, the Board approved a joint application dated 26 January 1996 by Novacorp and St. Clair Pipelines to rescind Board Order XG-11-88, as amended.

Board Order XG-11-88 authorized the construction of a 660-metre long pipeline across the Detroit River. The pipeline was intended to provide an alternate source of gas for the National Steel Corporation plant in the state of Michigan.

2. *Rigel Oil and Gas Ltd. - Boundary Lake Interprovincial Pipeline*

On 25 January 1996, the Board approved an application dated 2 December 1995 from Rigel to construct a 6.5-kilometre long pipeline from a gas well in the Boundary Lake area of northeastern British Columbia to an existing gas processing plant in northwestern Alberta. The estimated cost of the project was \$950 000.

3. *Tidal Resources Inc. - West Hamburg Pipeline*

On 27 February 1996, the Board approved an application dated 16 January 1996 from Tidal to construct a 17.2-kilometre long natural gas pipeline from the Chinchaga Area of British Columbia to the proposed Tidal inlet compression facilities adjacent to the Shell Canada Limited Hamburg Gas Plant in Alberta. The estimated cost of the project was \$2 276 700.

The Board also decided that the gathering facilities proposed to be constructed by Tidal that will connect with the applied-for pipeline at its upstream end will fall under federal jurisdiction and will be subject to the NEB Act. The Board directed Tidal to file an application for approval of the upstream gathering facilities.

4. Trans-Northern Pipelines Inc. - Abandonment

On 22 March 1996, the Board approved an application dated 2 September 1993 from Trans-Northern to abandon the Hamilton Meter Station and the Hamilton Lateral at an estimated cost of \$260 000.

5. Wascana Energy Inc. - PESH - Petitot Gas Gathering Pipeline

On 25 January 1996, the Board approved an application, dated 24 November 1995, from Wascana to construct a 15-kilometre long pipeline from a gas well in northeastern British Columbia to an existing gas processing plant in northwestern Alberta. The estimated cost of the project was \$1 850 000.

6. 661151 Alberta Limited - Bulrush Pipeline

On 10 January 1996, the Board approved an application dated 18 September 1995 from 661151 Alberta to construct an 18.3-kilometre long pipeline extending from a proposed gas plant in northeastern British Columbia, north of Fort St. John, to a proposed NOVA Gas Transmission Ltd. metering facility in northwest Alberta. The estimated cost of the project was \$4.2 million.

The Board informed the company that following the determination by the Federal Court of Appeal of several cases before it regarding jurisdiction of upstream and downstream facilities, that it may be necessary for the Board to consider whether any of the facilities that will connect to 661151 Alberta's project, upstream or downstream, are properly under the Board's jurisdiction.

7. Documentation and Operation Safety Audit Reports

The Board has adopted the Documentation and Operations Safety Audit Report for Monitoring Compliance with the Onshore Pipeline Regulations for Petrorep Resources Ltd. dated 11 January 1996.

8. Section 58 Applications

The Board has approved or is considering several applications under section 58 of the NEB Act involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. These matters may be considered by the Board without a public hearing.

Gas Pipelines

Alberta Natural Gas Company Ltd
Application dated 30 October 1995
Application: Compressor equipment, structures and improvements, and mains
Estimated Cost: \$23 465 000
Approved on 19 January 1996
Order Number: XG-A2-02-96

Rigel Oil and Gas Ltd.
Application dated 2 December 1995
Application: Construct a 6.5-kilometre long gas pipeline from British Columbia to Alberta.
Estimated Cost: \$950 000
Approved on 25 January 1996
Order Number: XG-R66-04-96

Tidal Resources Inc.
Application dated 16 January 1996
Application: Construct a 17.2-kilometre long gas pipeline from British Columbia to Alberta.
Estimated Cost: \$2 276 700.
Approved on 27 February 1996
Order Number: XG-T1-9-96

TransCanada PipeLines Limited
Application dated 19 January 1996
Application: Installation of ultrasonic meters, yard piping and the looping of the existing feed at the Parkway Meter Station.
Estimated Cost: \$3 935 000
Approved on 19 March 1996
Order Number: XG-T1-13-96

Wascana Energy Inc.
Application dated 24 November 1995
Application: Construct a 15-kilometre long gas pipeline from British Columbia to Alberta. Estimated Cost: \$1 850 000

Approved on 25 January 1996
Order Number: XG-W44-55-95

Westcoast Energy Inc.
Application dated 26 October, amended on 17 November 1995
Application: Installation of H2S analyzer station and addition of a sewage lagoon.
Estimated Cost: \$315 000
Approved on 16 February 1996
Order Number: XG-W5-6-96

Westcoast Energy Inc.
Application dated 27 November 1995
Application: Ninety one minor projects.
Estimated Cost: \$10 254 000
Approved on 22 March 1996
Order Number: XG-W5-3-96

Westcoast Energy Inc.
Application dated 1 February 1996
Application: Upgrade heater overpressure protection at various locations and add liquids storage for fuel and starting gas at stations 2, N5 and 3.
Estimated Cost: \$220 000
Approved on 22 March 1996
Order Number: XG-W5-8-96

Westcoast Energy Inc.
Application dated 28 February 1996
Application: Aitken Creek upgrade project.
Estimated Cost: \$6 300 000
Status: On 25 March 1996, the Board sent a letter to Westcoast requesting additional information.

Westcoast Energy Inc.
Application dated 6 March 1996
Application: Modifications to the East Kotcho Pipeline and reactivation of the pipeline from mile post 1.4 to mile post 11.2.
Estimated Cost: \$380 000
Approved on 23 March 1996
Order Number: XG-W5-14-96

661151 Alberta Ltd.
Application dated 18 September 1995
Application: Construct an 18.3 kilometre long gas pipeline from British Columbia to Alberta.
Estimated Cost: \$4 200 000

Approved on 10 January 1996
Order Number: XG-Z3-1-96

Oil Pipelines

ISH Energy Ltd
Application dated 5 March 1996
Application: Construct and operate a tie-in and valve assembly to the Desan pipeline.
Estimated Cost: \$8 000
Approved on 12 March 1996
Order Number: XO-J38-11-96

Murphy Oil Company Ltd.
Application dated 31 January 1996
Application: Tie-ins to the Bodo Pipeline System.
Estimated Cost: \$12 000
Approved on 11 March 1996
Order Number: XO-M23-9-96

Interprovincial Pipe Line Inc.
Application dated 20 November 1995
Application: Works and facilities, on the Older System and Montreal Extension, associated with operating and maintaining corrosion protection, pumping stations, tankage and various buildings.
Estimated Cost: \$6 277 300
Approved on 5 January 1996
Order Number: XO-J1-03-96

Interprovincial Pipe Line Inc.
Application dated 9 January 1996
Application: Installation of new condensate receipts on the Bonnie Glen pipeline at the Edmonton Terminal.
Estimated cost: \$133 000
Approved on 26 January 1996
Order Number: XO-J1-05-96

Interprovincial Pipe Line Inc.
Application dated 15 January 1996
Application: Tank lining at Cromer, Manitoba and external corrosion excavations on Line 3.
Estimated cost: \$4 399 000
Status: On 20 February 1996, the Board sent a letter to Interprovincial requesting additional information.

Interprovincial Pipe Line (NW) Ltd.
Application dated 6 October 1995
Application: Metering modification to tie-in the proposed ISH pipeline.
Estimated Cost: \$194 900
Approved on 23 January 1996
Order Number: XO-J34-04-96

Interprovincial Pipe Line (NW) Ltd.
Application dated 6 January 1996
Application: Pipeline repairs.
Estimated Cost: \$74 900
Approved on 7 February 1996
Order Number: XO-J34-07-96

Trans Mountain Pipe Line Company Ltd.
Application dated 12 October 1995
Application: Various pipeline, pump station, tankage and system upgrading projects.
Estimated Cost: \$10 341 300
Approved on 11 January and 2 February 1996
Order Numbers: XO-T4-24-95 and XO-T4-06-96

Trans-Northern Pipelines Inc.
Application dated 20 December 1995
Application: Addition of certain facilities to its pipeline system.
Estimated Cost: \$2 771 000
Approved on 23 February 1996
Order Number: XO-T2-8-96

Matters Under Consideration

9. *Yukon Pipelines Limited - Discontinuance of Operation*

On 12 July 1995, Yukon Pipelines filed an application regarding its intention to abandon the 144.5-kilometre Canadian section of the 177-kilometre long pipeline which extends from Skagway, Alaska to Whitehorse, Yukon. Operation of the line ceased in October 1994 and the contents of the line were removed in May and June 1995.

In August 1995, the Board published a notice inviting submissions on the application by 29 September 1995. On 23 November 1995 and 26 February 1996, the Board sent letters to the company requesting additional information.

On 12 March 1996, the White Pass and Yukon Corporation Limited submitted a report which outlined the work plan for an environmental site assessment of this project.

Traffic and Toll Matters

Matters Completed

1. *Interprovincial Pipe Line Inc. - Apportionment*

(Refer to item 2 under *Traffic and Toll Matters* on page 9 of the 1 January 1996 issue of the *Regulatory Agenda*.)

On 26 January 1996, the Board acknowledged a letter dated 22 January 1996 from Interprovincial containing the "Report on Long Term Apportionment Solution on IPL". The Board stated that it was satisfied that the report met the requirement of item 5 of the Board's order of 14 December 1995 pertaining to apportionment on IPL. The Board also confirmed that its order of 14 December 1995 would expire on 29 February 1996. Item 5 of the 14 December order reads "IPL consult with industry to arrive at a long-term solution, and file its recommendations with the Board, its shippers and interested parties by 22 January 1996. IPL and industry should review, among other things: using spare capacity on Cochin pipeline; moving certain crudes out of line 3; determining a workable tender verification process; handling of inventories and the impact of new pipeline capacity."

2. *Foothills Pipe Lines (Alta.) Ltd., Foothills Pipe Lines (South B.C.) and Foothills Pipe Lines (Sask.) Ltd. - 1996 Operating and Maintenance Expense Budgets*

On 30 November 1995, Foothills Pipe Lines Ltd. applied, on behalf of the above noted subsidiaries, for approval of Operating and Maintenance Expense Budgets for the 12-month period ending on 31 December 1996.

On 15 December 1995, the Board advised Foothills that before making a final decision on the applied-for

budgets it wished to consider Foothills' actual 1995 costs and the analysis of the 1995 operating and maintenance expense variances due to be filed with the Board on 28 February 1996. On 21 March 1996, the Board approved Foothill's applied-for Operating and Maintenance Expense Budgets.

Matters Under Consideration

3. *TransCanada PipeLines Limited - Great Lakes Gas Transmission Limited Partnership - Refund*

On 12 October 1995, TransCanada applied for an order setting out the manner in which it will dispose of funds received over an estimated three year period from Great Lakes by way of a refund in respect of incremental rates charged by Great Lakes over the period 1 November 1991 to 30 September 1995.

The incremental rates were charged by Great Lakes pursuant to a decision by the Federal Energy Regulatory Commission (FERC) and were borne by TransCanada's shippers through the payment of tolls for service on TransCanada's system. FERC subsequently determined that the payment of these incremental tolls was unjust and unreasonable.

Parties had until 26 January 1996 to file comments on the application and TransCanada had until 14 February 1996 to reply to any comments received.

In its reply comments of 14 February 1996, TransCanada raised the issue of the Board's jurisdiction to order a retroactive refund. The Board decided that all parties should be given the opportunity to comment on this question and gave parties until 19 April 1996 to file comments and TransCanada until 26 April 1996 to file reply comments.

4. *Government of the Northwest Territories (GNWT) - Complaint and Notice of Motion - Tolls and Tariffs of Interprovincial Pipe Line (NW) Ltd. IPL(NW) - Norman Wells Pipeline*

On 31 October and 7 November 1995, the GNWT filed a Complaint and a Notice of Motion, respectively, with respect to the tolls and tariff on the Norman Wells Pipeline. The Complaint identifies specific areas where the GNWT believes the current method of calculating the tolls and tariff for IPL(NW) is incompatible with the manner in which the tolls and tariffs of other pipelines regulated by the Board are determined. The Notice of Motion seeks an order from the Board, determining, as a preliminary matter, that the tolls of IPL(NW) be derived based on the same principles as applied to other Group 1 companies.

The Board determined that preliminary comments on the threshold question of whether it remains appropriate to regulate IPL(NW) based on the 1 January 1980 Norman Wells Pipeline Agreement, as amended, should be obtained from IPL(NW), its shippers and interested parties. At the same time as providing comments on the GNWT submissions, the Board also requested that parties identify any other issues which they feel should be considered in an examination of the tolls and tariffs for IPL(NW) should the Board determine that a Part IV proceeding is to be held.

On 9 February 1996, IPL(NW) requested a delay of the Board's release of a decision on the threshold question to allow additional time for IPL(NW) and Imperial Oil Limited to conclude negotiations for potential changes to the Norman Wells Pipeline Agreement. The Board accepted IPL(NW)'s request for a delay and directed that the summary of the negotiated changes and the basis for the changes be filed by

8 March 1996 and that parties had until 15 March 1996 to file comments. IPL(NW) had until 20 March 1996 to file reply comments.

On 8 March 1996, IPL(NW) filed a Summary of Agreement in Principle indicating a proposed amendment to the Norman Wells Pipeline Agreement negotiated with Imperial Oil Limited. Parties provided comments by 15 March 1996 with the GNWT suggesting that IPL(NW) initiate a settlement conference prior to 30 April 1996 to explain the proposal more fully. On 21 March 1996, IPL(NW) provided reply comments indicating that it was prepared to hold a settlement conference. IPL(NW) advised the Board that it had scheduled the settlement conference for 2 May 1996.

Safety Matter

1. *Interprovincial Pipe Line Inc. - Operating Pressure*

On 14 March 1996, the Board directed Interprovincial to reduce the operating pressure and pressure test certain portions of its pipeline system and to submit to the Board the results of the pressure testing program.

On 27 February 1996, a rupture occurred on Interprovincial's crude oil pipeline near Glenavon, Saskatchewan. This was the third line break on this pipeline near Glenavon in the past nine months, and the fourth since 1989. Corrosion has been identified as a factor in all four breaks.

To address safety and environmental concerns, the Board, after receiving submissions from Interprovincial, directed Interprovincial to:

- reduce the maximum operating pressure of Line 3 between Odessa Station in Saskatchewan and Cromer Station in Manitoba to 80% of the authorized maximum operating pressure;

- reduce the maximum operating pressure of Line 3 between Cromer Station and Souris Station in Manitoba to 95% of the authorized maximum operating pressure;
- pressure test Line 3 between Odessa Station and Cromer Station in 1996 and file with the Board the results of the pressure testing program;
- submit a pipeline integrity evaluation that demonstrates to the Board that Line 3 will be safe to operate; and,
- file with the Board, by 29 March 1996, a plan and proposed timetable for implementing these directives.

The Board will consider removing the maximum operating pressure restrictions when it has received successful pressure test results and is satisfied that the pipeline is safe to operate at higher pressures.

Frontier Matters

Frontier activities for the first quarter of 1996

- a) Authority to Drill a Well, pursuant to section 83 of the *Canada Oil and Gas Drilling Regulations*, were given for:
Imperial Norman Wells H-52X - 30 January 1996
Imperial Norman Wells P-48X - 11 March 1996

- b) On 25 January 1996, Panarctic Oils Ltd. (Panarctic) announced in Resolute Bay, Northwest Territories that they intend to abandon the Bent Horn production operations. The abandonment program will be done pursuant to subsection 5(1) of the *Canada Oil and Gas Operations Act*, Part VIII of the *Canada Oil and Gas Drilling Regulations* and section 58 of the *Canada Oil and Gas Production and Conservation Regulations*. Panarctic has submitted some of the required information for the abandonment approvals.
- c) Approval was given to Imperial Oil Resources for the following:
 - (i) to conduct fracture gradient testing on six injection wells located on the artificial island #5, pursuant to subsection 18(3) of the *Canada Oil and Gas Production and Conservation Regulations* on 18 January 1996;
 - (ii) to alter the logging program on the well Imperial Norman Wells F-52X, pursuant to section 11 of the *Canada Oil and Gas Drilling Regulations* on 29 January 1996;
 - (iii) to change equipment spacing for the drilling rig, pursuant to paragraph 112(3)(a) of the *Canada Oil and Gas Drilling Regulations* on 30 January 1996; and

- (iv) to extend the fracture gradient testing to injection wells located on the artificial island #3, pursuant to subsection 18(3) of the *Canada Oil and Gas Production and Conservation Regulations* on 7 February 1996.
- d) Approval was given to Shell Canada Limited for the following:
 - (i) to alter the approved well abandonment programs pursuant to subsection 210 of the *Canada Oil and Gas Drilling Regulations* on 7 January 1996; and
 - (ii) to alter the requirement of the BOP stack configuration pursuant to section 16 of the *Canada Oil and Gas Operations Act* on 7 January 1996.
- e) Five applications for geophysical operation authorization were submitted and approved pursuant to section 5 of the *Canada Oil and Gas Operations Act* as follows:
Ranger Oil Ltd., Norman Wells Area, 3 January 1996
BFR Geophysical Company, Southern NWT, 15 January 1996
BFR Geophysical Company, Norman Wells Area, 29 February 1996
The other two programs are being held, at the applicants' request, for the 1996-97 season.

Other Matter

Sable Island Project - Environmental Assessment

On 17 November 1995, the Canadian Environmental Assessment Agency issued for public comment an agreement to conduct a joint environmental assessment panel review of the proposed natural gas resources development project near Sable Island, Nova Scotia and the anticipated transportation of the natural gas to domestic and U.S. markets. The parties to the agree-

ment, which have environmental assessment obligations under various Acts, are the governments of Canada, Nova Scotia, the NEB and the Canada-Nova Scotia Offshore Petroleum Board. The objective of the agreement is to harmonize the environmental assessment requirements of each jurisdiction and to conduct a timely review that avoids overlap and duplication while meeting the responsibilities and requirements of each jurisdiction.

Mobil Oil Canada Properties, Shell Canada Limited and other participants are proposing the development of gas fields in the Sable Island area of the Scotian Shelf. Westcoast Energy Inc. and other participants may also propose a project to transport the natural gas through Nova Scotia to domestic markets and markets in the northeastern United States.

Public comments on the agreement were due on 15 December 1995.

Appeals, Referral and Review

Appeals Completed

1. *Westcoast Energy Inc. v the National Energy Board and the Attorney General of Canada; Reference by the Board of the Westcoast Grizzly Valley Application*

The appeal and the reference were heard by the Federal Court of Appeal from 8 to 10 January 1996. On 9 February 1996, the Court decided that Westcoast's facilities in the two cases below were under the Board's jurisdiction.

On 9 June 1995, Westcoast filed for leave to appeal the Board's decision dismissing, for reasons of jurisdiction, an application by Westcoast relating to the expansion of the company's Fort St. John natural gas gathering system and the construction of a new gas treatment plant (refer to item 5 under *Recent Hearing Decisions* on page 2).

On 28 September 1995, the Board referred to the Federal Court of Appeal the question of its jurisdiction to decide on an application from Westcoast for the proposed expansion of the company's Pine River Plant and Grizzly Valley Raw Gas Transmission System in northeastern British Columbia (refer to item 1 under *Hearing Applications Filed* on page 4).

2. *The Consumers' Gas Company Ltd - Niagara Gas Transmission Ltd. Facilities Application*

The Federal Court Appeal found that the Board does not have jurisdiction over the Ottawa East line of Consumers' Gas.

On 30 October 1995 Consumers' Gas applied to the Federal Court of Appeal for leave to appeal the Board's decision that it had jurisdiction over the company's Ottawa East line once it was connected to the proposed Niagara line (refer to item 2 under *Pipeline Matters, Matters Completed* on page 12 and to item 2 under *Pipeline Matters, Matters Completed* on page 7 of Issue No. 54 of the *Regulatory Agenda* dated 1 October 1995). Leave to appeal was granted on 20 November 1995. The appeal was heard on 12 March 1996

On 22 February 1993, the Federal Court of Appeal granted the leave application of Manitoba Hydro and a Notice of Appeal was filed by Manitoba Hydro on 20 April 1993. The case has yet to be heard.

2. *Richard Leroux and 417 Auto Wreckers Limited - TransCanada PipeLines Limited*

On 22 December 1995, the Board found the aggregate application of Richard Leroux did not fall within section 81 of the NEB Act as it did not meet the requirement of "mines or minerals".

On 22 January 1996, Richard Leroux and 417 Auto Wreckers sought leave to appeal the Board's decision and an order for judicial review of the Board's decision. On 29 February 1996, TransCanada applied to the Federal Court of Appeal to quash the judicial review application.

On 29 March 1996, the Court granted the leave to appeal application. On the same date, the Court ordered that the application by TransCanada to quash the judicial review application by Richard Leroux et al be heard orally at a date to be set.

3. *Westcoast Energy Inc. - Pesh Creek Pipeline*

On 22 January 1996, Westcoast applied to the Federal Court of Appeal for Leave to Appeal the Board's decision of

Appeals Pending

1. *Manitoba Hydro - Application for Leave to Appeal the Board's Amending Order AO-2-EC-III-16*

On 30 December 1992, Manitoba Hydro filed an application in the Federal Court of Appeal for leave to appeal the Board's Amending Order No. AO-2-EC-III-16 issued 31 August 1992 regarding alterations to the Dorsey Substation. Manitoba Hydro sought the appeal on the basis that the Board erred in law and jurisdiction in issuing the Order subject to certain conditions.

21 February 1996 to approve an application from Novagas Clearinghouse Pipelines Ltd. to construct and operate a 16.5-kilometre long natural gas pipeline which will transport natural gas from a proposed separation, compression and metering facility in northeastern British Columbia to a proposed metering facility in northwestern Alberta.

4. BC Gas Utility Ltd. - Westcoast Energy Inc. - Grizzly Valley Application

On 3 April 1996, BC Gas applied to the Supreme Court for Leave to Appeal the Federal Court's decision of 9 February 1996 (refer to item 1 under *Appeals Completed* above).

Referral Pending

1. Novagas Clearinghouse Pipeline Ltd. - Pesh Creek Pipeline - OH-1-96

In January 1996 the Board approved an application from Novagas to construct and operate a natural gas pipeline (Refer to item 2 under Recent Hearing Decisions on page 1).

On 12 January, the Board decided to refer to the Federal Court of Appeal a jurisdictional question over the following upstream and downstream facilities connecting to the applied-for facilities:

- a) the Peggo Raw Gas Gathering Line;
- b) the Midwinter Raw Gas Gathering System;
- c) the Peggo Facility; and
- d) the proposed downstream connecting facilities to be constructed and operated by NOVA Gas Transmission Ltd., more specifically described as metering and pipeline facilities from the downstream terminus of the Pesh Creek Pipeline to an existing receipt point on the NOVA system in Zama Lake region of Northwestern Alberta.

On 12 January 1996, the Board sought comments from interested parties on the referral question. Parties had until 21 February to file comments and reply comments. The Board is reviewing the comments received.

Review Completed

1. Ashland Scurlock Permian Canada, Ltd. and Ashland Inc. - Interprovincial Pipe Line Inc. - Apportionment Order of 14 December 1995

On 4 January 1996, the Board dismissed an application for review by the above companies because it was of the view that no case had been made for a review.

On 21 December 1995, the above companies applied for a review of the Board's decision of 14 December 1995 in which the Board approved a proposal whereby apportionment on Interprovincial's crude oil lines for the months of January and February 1996 would be based on historical shipments. The two companies claimed that, due to the manner in which they conduct business, their allocation of pipeline space is not as high as meets their needs nor did it reflect their actual historical shipments. They alleged that the Apportionment Order resulted in severe financial hardship.

Amendments to Regulations

Amendments to the Board's regulations completed or in various stages of preparation, include the following:

1. Onshore Pipeline Regulations

On 6 May 1994, the Board issued a draft of the *Onshore Pipeline Regulations* for comment by interested persons.

The Regulations specify the requirements for the protection of property and the environment and safety of the public and company employees in the design, construction, operation, maintenance and abandonment of an onshore pipeline. The current regulations have been in effect since June, 1989.

The Board is proposing the amendments to reflect changing pipeline safety and environmental issues arising from pipeline incidents, revised CSA standards, regulatory enforcement responsibilities and general experience working with the regulations.

2. Offshore Pipeline Regulations

The Offshore Pipeline Regulations specify the requirement for the protection of property and the environment and the safety of the public and the company's employees in the design, construction, operation and abandonment of an offshore pipeline.

The Regulations require further review with respect to amendments to the *Onshore Pipeline Regulations* and integration of frontier activities into the Board.

3. National Energy Board Part VI Regulations

The amended Regulations were published in Part I of the *Canada Gazette* on 6 May 1995 for a 30-day comment period. The Board considered the comments received and further amendments were made. The Regulations were re-submitted to the Department of Justice

for review and were then republished in the *Canada Gazette* on 13 January 1996 for a further 30-day comment period. Expected to be published in the Part II of the *Canada Gazette* on 15 May 1996.

4. Electricity Regulations

On 30 March 1995, the Board approved, for submission to the Privy Council Office - Justice, the draft *Electricity Regulations*.

The draft regulations set out, among other things, information requirements for applications in respect of electricity exports and international power line facilities, and the terms and conditions of export and facilities permits. These regulations will, in part, replace the Part VI Regulations and parts of Schedule II of the draft *Rules of Practice and Procedure*.

5. Regulations Pertaining to Frontier Oil and Gas Activities

The process of creating and amending regulations pertaining to frontier oil and gas activities, under the provisions of the Canada Oil and Gas Operations Act, proclaimed in force in September 1992, is continuing within the Board. At present, the regulatory agenda is as follows:

Regulations which have been pre-published in Part I of the *Canada Gazette*

Canada Oil and Gas Diving Regulations - Administrative Amendments

Regulations which have been published in Part II of the *Canada Gazette*

Canada Oil and Gas Installations Regulations

Canada Oil and Gas Certificate of Fitness Regulations

Canada Oil and Gas Drilling Regulations - Amendments

Canada Oil and Gas Geophysical Regulations

Canada Oil and Gas Production and Conservation Regulations - Amendment

Regulations being drafted

Canada Oil and Gas Occupational Safety and Health Regulations - Amendments

Canada Offshore Oil and Gas Drilling Regulations - Re-structuring

Canada Oil and Gas Production and Conservation Regulations - Amendment
Nova Scotia Offshore Spills and Debris Regulations

Newfoundland Offshore Area Petroleum Occupational Safety and Health Regulations

Nova Scotia Offshore Area Petroleum

Occupational Safety and Health Regulations

Physical Environmental Guidelines for Drilling Programs on Frontier Lands

Pursuant to an administrative arrangement between the Board and Natural Resources Canada, the Board is also working with the provinces of Newfoundland and Nova Scotia in drafting federal and provincial versions of the preceding regulations which pertain to the offshore areas under joint resource management accords.

6. Offshore Waste Treatment Guidelines, 1996

The Board issued a final draft of the above Guidelines for public review by industry and other government departments. The guidelines are scheduled to be issued in 1996.

Administrative Matters

Electronic Regulatory Filing (ERF)

In January 1996, after a competitive bidding process across North America, a major contract was awarded for the Information Architecture Design and Development (IADD) phases of ERF. The successful bid was submitted by a consortium of three mid-sized Canadian companies - InfoDesign, Microstar and HST Group - all recognized as leaders in their respective fields. InfoDesign will act as project manager, as well as technical contributor, to IADD work over the next 16 months.

Phase I Information Architecture, Design, Specification and Document Type Definition Development

Phase I is well underway, involving representatives from industry and government organizations across Canada working in analytical teams with the contractor. It will act as the foundation for all subsequent ERF implementation and testing. Its purpose is to define the business requirements of organizations who will create, use and exchange elec-

tronic regulatory information with the Board and each other. The scope of Phase I is limited to evaluating the paper-based flow of business information in the existing regulatory framework, as well as the creation of new electronic document architectures to support ERF testing and implementation.

Phase II Proof of Concept and Pilot Projects

The scope of the second phase will be limited to testing deliverables (such as standardized Document Type Definitions) and proving these are workable for the creation, interchange and reuse of electronic regulatory documents.

The regulatory document types to be considered in Phase I and Phase II are:

Export and import submissions (federally regulated)
Facilities and rates submissions (federally and provincially regulated)
Surveillance reports (federally and provincially regulated)

Franchises and funding (provincially regulated)

The Document Standards Subcommittee met in Toronto on 25 January 1996. An ERF presentation was made to the Canadian Energy Pipeline Association on 5 February 1996.

For more information, contact Project Manager Brenda Kenny at (403) 299-3565, Technical Project Manager Neil Levette at (403) 299-3613 or ERF Communications Officer Ruth Grenville at (403) 299-2719.

Documents Issued - 1 January to 31 March 1996

Reasons for Decision

Various Gas Export Applications - GH-4-95 - Reasons for Decision, Volume 1, dated January 1996. Letter Decision dated 20 February 1996.

Novagas Clearinghouse Pipeline Ltd. - Pesh Creek Pipeline - OH-1-96 - Letter Decision dated 22 January 1996.

Reasons for Decision date January 1996.

Trans Mountain Pipe Line Company Ltd. - 1995-1996 Tolls - RH-3-95 and RHW-2-96 - Letter decision dated 10 January 1996. Reasons for Decision dated 16 February 1996. Reasons for Decision dated March 1996.

TransCanada PipeLines Limited - 1996 Tolls - RH-2-95 - Reasons for Decision on Phase 2 dated 22 February 1996.

Westcoast Energy Inc. - Fort St. John Expansion - GH-5-94 - Reasons for Decision dated February 1996.

Westcoast Energy Inc. - 1996 Tolls - RH-1-96 - Reasons for Decision dated March 1996.

Instructions for Filing

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 311 - Sixth Avenue S.W., Calgary, Alberta, T2P 3H2; Telephone (403) 292-4800; Fax (403) 292-5503.

Appendix I lists the number of copies required for the different types of applications.

Telephone Numbers

A current list of Board Members and key staff telephone numbers is attached as Appendix II.

Electronic Bulletin Board

Bulletin Board System, (403) 299-2751

Bulletin Board System Helpline 9:30 to 10:30 a.m. (MT) (403) 299-3919

The bulletin board is available around the clock, with the exception of specified hours for data loading or occasional system upgrades. Bulletin board users can obtain news releases, hearing orders, regulatory agendas, decision overviews, appendices to the Annual Report and selected oil and gas statistics in electronic format. All information will be posted in both official languages. A user guide with instructions is available for reference. Users should set their communications software to:

- 300, 1200, 2400, 9600, 14 400 or 16 800 baps;
- full duplex;
- no parity;
- eight data bits; and
- one stop bit.

Board Document System (BDS)

The Board has a BDS system available to the public, offering direct access to an electronic library of regulatory documents. Document contents may be searched on-line with full-text search capabilities. Presently, the system contains Reasons for Decision dating from 1985 and hearing transcripts from 1991. Other document types will be added gradually, as they become available in

standardized electronic format. The BDS may be used from remote locations or at the Board's Calgary office. The only cost to users will be long-distance telephone charges, if any, to connect to the system.

All users are asked to register with the Board and sign a public access agreement. This agreement explains the responsibilities of the user and outlines relevant terms and conditions. Request for a user account may be made by mail, facsimile or telephone to our Regulatory Support Office (403) 292-4800. For more information, a brochure on the Board Document System is also available to interested parties.

Mailing Lists

If you are not already on the Board's mailing lists and wish to be added thereto, please write to the Secretary of the Board providing your mailing address and the type of material you would be interested in receiving. The following are the Board's current mailing lists:

- L1: Everything the Board issues
- L4. Oil and gas matters
- L5. Electrical matters
- L6: Annual Report only
- L7: News Releases only
- L8: Regulatory Agenda only
- L9: Environmental matters

National Energy Board



J. S. Richardson
Secretary

For copies of documents contact:
For information contact:

Regulatory Support Office (403) 292-4800
Denis Tremblay, Communications Officer (403) 299-2717

APPENDIX I

NUMBER OF COPIES REQUIRED FOR FILINGS

Applicants are requested to provide the following number of copies of their applications or other filings to the National Energy Board. For matters not listed below, one copy is sufficient.

Type of Application or Filing	No. of Copies	Type of Application or Filing	No. of Copies
(a) Hearing Matters		(iii) Oil Exports	
(i) Certificates		Registered Oil Export Orders	05
Pipeline	25	(iv) Tolls	
Power Line	20	Class I and II Adjustments	20
(ii) Export Licence		Interim Orders	20
Natural Gas	25	Operating and Maintenance Budgets	20
Electricity	20	Changes in Depreciation Rates	20
(iii) Tolls	25	Quarterly Surveillance Reports	20
(iv) Land Acquisitions	20	New or Changed Tariffs	20
(b) Non-Hearing Matters		Domestic Gas Sales Contracts and Amendments	20
(i) Natural Gas		Amendments to Tariff Orders	20
Export Orders	20	(v) Pipelines and Power Lines	
Orders for Transmission Access	20	Permits	15
Licence Amendments	20	Exemption Orders Pipelines (Sec. 58)	20
Amendments to Export Contracts	20	Certificate Amendments	20
Licence Revocations	20	Leave to Sell or Transfer	20
(ii) Electricity Exports		Incident Reports	20
Permits	15	(vi) Other	
Licence or Permit Amendments	15	Application for Review	20
Licence or Permit Revocations	15		

The number of copies of interventions or submissions to be provided in response to applications will be specified in the applicable hearing order. Private individuals who would find the provision of multiple copies an undue financial burden may file one copy, with a request to be excused from multiple filing.

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 311 - Sixth Avenue S.W., Calgary, Alberta, T2P 3H2: Telephone (403) 292-4800; Fax (403) 292-5503.

Appendix II

Selected List of Telephone Numbers (Area Code 403)

General Information	292-4800	Library, Information	299-3561
Incident Reporting Number	1-800-632-1663	General Information and	
	1-800-NEB-1-ONE	Board Distribution Centre	292-4800
Bulletin Board System	299-2751		
Bulletin Board System Helpline			
9:30 to 10:30 a.m. (MT)	299-3919		

FINANCE, ADMINISTRATION AND INFORMATION TECHNOLOGY BRANCH

BOARD MEMBERS					
Chairman	Roland Priddle	299-2724	Director	Brenda Kenny	299-3565
Chairman's Assistant	Esther Binder	299-2725	Secretary	Lilly Armstrong	299-3692
Secretary	Carmen Morin	299-2726	Manager, User Services		
Vice-Chairman	Kenneth Vollman	299-2730	(Information Technology)	Ken Wing	299-3602
Secretary	Lillian Handelman	299-2741	Project Manager, Electronic		
Member	Anita Côté-Verhaaf	299-2739	Regulatory Filing	Brenda Kenny	299-3565
Secretary	Lillian Handelman	299-2741	A/Manager,		
Member	Roy Illing	299-2729	Network Management	Neil Levette	299-3613
Secretary	Mona Butler	299-2728			
Member	Robert Andrew	299-2736			
Secretary	Mona Butler	299-2728			
Temporary Member ^(a)	Judith Snider	299-2737			
Secretary	Lorraine Welsh	299-2734			
Temporary Member ^(b)	Glennis Lewis	299-2740			
Temporary Member ^(b)	Richard Revel	299-2740			
Secretary	Lorraine Welsh	299-2734			

(a) Judith Snider's term expired on 21 February 1996.

(b) Temporary members for the purpose of the review
of the Express Pipeline Project

PERSONNEL BRANCH

Director	Jim Thompson	299-3694
Secretary	Betty Burton	299-3695
Manager, Compensation and		
Staff Relations	Joyce Morrison	299-3699
Manager, Staffing and		
Human Resources	Christine Elder	299-3698

ECONOMICS BRANCH

Director	John Hayward	299-2757
A/Secretary	Colleen Holt	299-3629
Economics and Energy Analysis Division		
Manager	Bob Modray	299-3157
Regulatory Economics Division		
Manager	Glenn Booth	299-3621

EXECUTIVE DIRECTOR

Executive Director	Gaétan Caron	299-2700
Admin. Assistant	Jan Dane	299-2701

OFFICE OF THE SECRETARY

Secretary	Scott Richardson	299-2711
Administrative and		
Regulatory Assistant	Josée L'Heureux	299-2712
A/Assistant Secretary,		
Regulatory	Michel Mantha	299-2714
A/Assistant Secretary,		
Communications	Karla Reesor	299-2713
Communications Officer	Denis Tremblay	299-2717
Communications Officer	Ross Hicks	299-3930
Communications Officer	Ruth Grenville	299-2719

ENERGY COMMODITIES BRANCH

A/Director	Hans Pols	299-3195
Senior Secretary	Jan McClintock	299-3166
Administrative Assistant	Linda Byers	299-3185
Electric Power		
Manager	Ivan Harvie	299-3165
Gas Export		
Manager	Cliff Brown	299-3190
Gas Market Analysis and Export Surveillance		
Manager	Sandra McDonough	299-3186

Transportation and Oil Exports

Manager	Hans Pols	299-3195
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ENERGY RESOURCES BRANCH

Director	Graham Campbell	299-3102
Admin. Coordinator		299-3517
Secretary	Pat Cormier	299-3103

Crude Oil, NGL**and Coal Supply Division**

Manager	Gerrit Hos	299-3120
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Natural Gas Supply Division

Manager	Paul Bourgeois	299-3149
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Reservoir Engineering Division

Manager	Cliff Gemeroy	299-3138
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Geology and Resource Assessment Division

Manager	Bruce Young	299-3147
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ENGINEERING BRANCH

Director	John McCarthy	299-2766
Admin. Coordinator	Cecilia Cupido	299-2752

Development Engineering and Group II Pipelines

Manager	Terry Baker	299-2792
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Safety Audit

Manager	Franci Jeglic	299-2774
---------	---------------	----------

Accident Investigation

Manager	Jake Abes	299-2777
---------	-----------	----------

Group I Pipelines - Westcoast, Interprovincial, Foothills, Alberta Natural Gas and Cochin

A/Manager	Paul Trudel	299-2768
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Group I Pipelines - TransCanada, Gazoduc T.Q.M., Trans Mountain and Trans-Northern

A/Manager	Paul Trudel	299-2768
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Regulatory Development and Safety Studies

A/Manager	Robert Power	299-2769
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ENVIRONMENT BRANCH

Director	Ken Sato	299-3675
Admin. Coordinator	Paulette Richard	299-3680
Secretary	Geraldine Metcalfe	299-3676

Biological Sciences Division

Manager	Jim McComiskey	299-3677
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Physical Sciences Division

Manager	Oleh Mycyk	299-3678
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Operations Emergency Response and Financial Liability Division

Manager	Jim Anderson	299-3682
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Socio-Economics and Lands

A/Manager	William Ostafichuk	299-3671
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Environmental Studies Research Funds

Manager	Oleh Mycyk	299-3678
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FINANCIAL REGULATION BRANCH

Director	Terrance Rochefort	299-3646
Admin. Coordinator	Janet Soucy	299-3648

Westcoast Energy Inc., Interprovincial Pipe Lines, Trans-Northern Pipelines, Alberta Natural Gas, Foothills Pipe Lines

Manager	Albert Fung	299-3662
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TransCanada PipeLines Limited, Gazoduc T.Q.M., Interprovincial Pipe Line (NW) Ltd., Alberta Natural Gas Company Ltd. and Foothills Pipe Lines Ltd.

Manager	Steve Brown	299-3653
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LAW BRANCH**General Counsel and Director**

Secretary	Judith Snider	299-2703
	Susan Gudgeon	299-2704
Counsel	Judith Hanebury	299-6497
Counsel	Erin Bourgeault	299-2708
Counsel	Peter Noonan	292-3552
Secretary	Corina Smith	292-3551
Counsel	Boris de Jonge	292-6495
Counsel	Irene Gendron	299-2709
Counsel	Christine Beauchemin	292-6489
Secretary	Caroline Healy	292-6540

PROFILE

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament. Over the course of its history, it has played an important role in the development of Canada's energy sector.

The Board's regulatory powers under the *National Energy Board Act* include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and designated interprovincial and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment, and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by the Ministry of Labour to administer Part II of the *Canada Labour Code*.

National Energy Board
311 Sixth Avenue S.W.
Calgary, Alberta
T2P 3H2

(403) 292-4800

Regulatory Agenda

The period covered in this Regulatory Agenda is 1 April to 30 June 1996

Applications Considered by Public Hearing

Oral Hearings

Recent Hearing Decisions

1. *TransCanada PipeLines Limited - St. Clair River Crossing - GH-2-96*

Reasons for Decision dated May 1996; issued on 3 June 1996.

The Board approved the construction of a 0.4-kilometre long pipeline crossing the St. Clair River near Sarnia, Ontario and the construction of a pig receiver at the Dawn - Tecumseh Sales Meter facility. The facilities will provide 3.3 million cubic metres (118 million cubic feet) per day of additional capacity on TransCanada's Dawn Extension and provide additional security in the event of loss of one of the existing crossings. The estimated cost of the facilities is \$4.18 million.

The Board held a public hearing on the application on 26 and 27 March 1996 in London, Ontario.

2. *Express Pipeline Ltd. - Pipeline Facilities - OH-1-95*

Report of the Joint Review Panel dated May 1996; issued on 21 May 1996. Reasons for Decision dated June 1996; issued on 24 June 1996.

On 21 May 1996, the Express Pipeline Project Joint Review Panel made public its report and recommended that the project be allowed to proceed under conditions outlined in its report. The Panel, after considering all relevant information, the Applicant's proposed mitigation measures and the incorporation of the report's recommendations, was of the view that the Express Pipeline Project is not likely to cause significant environmental effects. The report was submitted to the federal ministers of Natural Resources and of the Environment. Cabinet approved the Joint Review Panel's report on 20 June 1996.

The report is the result of a review conducted under the *National Energy Board Act* and the *Canadian Environmental Assessment Act*, of an application by Express to construct and operate an oil transmission line from Hardisty, Alberta to the international border near Wild Horse, Alberta and for related toll and tariff authorizations. The review was carried out in accordance with an agreement between the Board and the federal Minister of the Environment. The Joint Review Panel consisted of two permanent NEB members and two temporary members nominated by the Board and the Minister of the Environment.

On 24 June 1996, the Board approved the application from Express to construct and operate the pipeline.

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PREFACE

The purpose of this quarterly agenda is to provide information on the Board's activities.

Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the National Energy Board Act, R.S.C. 1985, c.N-7, as amended.

"Our purpose is to make decisions that are fair, objective and respected."



The Canadian portion of the proposed Express Pipeline would consist of approximately 435 kilometres (270 miles) of 610 millimetre (24 inch) diameter pipeline extending south from Hardisty, Alberta to the international border near Wild Horse, Alberta, as well as associated terminaling, storage, and pumping facilities (at an estimated total cost of about \$196 million). On the U.S. side, the pipeline would continue across the State of Montana and terminate near Casper, Wyoming. The pipeline is planned to have an initial capacity of approximately 27 000 cubic metres (170,000 barrels) of crude oil per day. Linefill is proposed to take place by December 1996.

The Board held a public hearing on the application from 15 January to 7 March 1996 in Calgary.

(Refer to item 6 under *Appeals Pending* on page 10 and item 7 under *Appeals Completed* on page 11.)

Hearing Decisions Pending

3. Morgan Hydrocarbons Inc. - Complaint Re: Murphy Oil Company Ltd. and Manito Pipelines Ltd.

The Board held a public hearing from 21 to 24 May 1996 in Calgary on an application by Manito to abandon a portion of its pipeline. In January 1996, Manito applied for approval to abandon approximately 22 kilometres (13 miles) of pipeline on its system from Blackfoot, Alberta to Dulwich, Saskatchewan. The abandonment, if approved, could affect the Board's jurisdiction of the Manito system.

Subsequent to releasing its decision on the abandonment application, the Board will consider a complaint by Morgan regarding jurisdiction over pipeline facilities owned by Murphy, including access and tolls on Manito's pipeline system which is operated by Murphy, and regulated by the Board.

4. Interprovincial Pipe Line Inc. - System Expansion Phase II - OH-1-96

The Board held a public hearing from 3 to 7 June 1996 in Calgary on an application from Interprovincial for approval to expand its oil pipeline system.

Interprovincial is requesting authorization to construct approximately 148 kilometres (89 miles) of oil pipeline from a point near Edmonton to a point near Hardisty, Alberta. Interprovincial also proposes to replace 12 kilometres (7.2 miles) of pipeline at various locations between Hardisty and Herschel, Saskatchewan. It also proposes to add, modify and replace pumping units and to undertake other modifications to its system. Interprovincial states that the expansion would increase the capacity of its system to Chicago by approximately 19 600 cubic metres (123 000 barrels) per day. The estimated cost of the expansion is \$140 million. The expected in-service date is the second half of 1998.

5. Westcoast Energy Inc. - Helmet/Peggo Facilities - MH-2-96

The Board held a public hearing on 17, 18, 19 and 24 June 1996 in Vancouver on an application by Westcoast to purchase and operate certain natural gas pipelines and associated facilities (known as the "Helmet/Peggo Facilities") in northeast British Columbia.

Westcoast applied for approval to acquire from 3181782 Canada Inc. certain natural gas pipelines and associated facilities in the Helmet North, Midwinter and Peggo gas producing areas in northeast British Columbia and for a certificate to operate the facilities. The pipeline facilities in question consist of 49 segments of pipeline totalling 181.4 kilometres (113 miles). Westcoast also requested that the Board decide on the toll treatment regarding the purchase of the facilities. The estimated cost of the Helmet/Peggo facilities is \$30.6 million.

Hearing Adjourned

6. TransCanada PipeLines Limited - 1997-1998 Facilities - GH-3-96

On 14 June 1996, the Board adjourned *sine die* a public hearing on an application by TransCanada for approval to expand its facilities in 1997/1998. The hearing was scheduled to commence on 22 July 1996 in Winnipeg. However, TransCanada advised the Board that it intends to file a revision to its application towards the latter part of July 1996.

TransCanada had originally applied to add approximately 61.8 kilometres (38.6 miles) of pipeline looping, three 28.3 megawatt compressor units and a 2.2 megawatt compressor unit upgrade to its existing system in the provinces of Saskatchewan, Manitoba and Ontario. The proposed facilities would enable the company to provide incremental natural gas services totalling approximately 3.6 million cubic metres (126.3 million cubic feet) per day for both domestic and export markets. The estimated cost of the originally proposed facilities is \$263.6 million with construction scheduled for 1997.

Written Hearings

Recent Hearing Decision

1. Trans Québec & Maritimes Pipeline Inc. - 1996 Tolls - RHW-1-96

Reasons for Decision dated May; issued on 16 May 1996.

The Board approved new tolls that TQM may charge on its natural gas transmission system, effective 1 January 1996. TQM's application was based on a deemed common equity ratio of 30 percent and a rate of return on common equity of 11.25 percent for 1996 that was determined in accordance

with the Board's first adjustment resulting from its Multi-Pipeline Cost of Capital Decision (RH-1-94).

The Board approved a net revenue requirement for TQM for \$66 721 000 for 1996. The Board also approved a rate base of \$307 309 000 for 1996.

Hearing in Progress

2. Various Gas Export Applications - GHW-1-96

The Board is considering eight applications for licences to export some 3.3 million cubic metres (116.4 million cubic feet) of natural gas per day for periods ranging from five to 20 years.

The applications being considered are from the following companies:

- (a) Coastal Gas Marketing Company for export at Emerson, Manitoba to American Crystal Sugar Company of Minnesota and ProGold Limited Liability Company of North Dakota (Petro-Canada supply);
- (b) Coastal Gas Marketing Company for export at Emerson, Manitoba to American Crystal Sugar Company of Minnesota and ProGold Limited Liability Company of North Dakota (Morrison Petroleum Ltd. supply);
- (c) Coastal Gas Marketing Company for export at Chippawa, Ontario for Coastal's system supply to serve its U.S. Northeast market (seven suppliers);
- (d) Morgan Hydrocarbons Inc. and Coastal Gas Marketing Company, in a joint application, for export at Iroquois, Ontario for Coastal's system supply to serve its U.S. Northeast market (Morgan supply). In February, following a public hearing in November 1995, the Board denied this application because Morgan/Coastal did not file sufficient information on gas supply to substantiate that it could accommodate the term of the export contract. The applicants subsequently filed a revised application;
- (e) Renaissance Energy Ltd. for export to Iroquois Energy Brokers, LLC for resale to end use customers in the States of New York and Pennsylvania (Renaissance supply);
- (f) St. Lawrence Gas Company, Inc. for export at Cornwall and Iroquois, Ontario for system supply to serve its existing market in northern New York (TransCanada Gas Services supply);
- (g) Talisman Energy Inc. for export at Huntingdon, British Columbia for sale to Eastern Energy Marketing, Inc. to be used at the Glenns Ferry Cogeneration Project located at Glenns Ferry, Idaho (Talisman supply); and,

- (h) Talisman Energy Inc. for export at Huntingdon, British Columbia for sale to Eastern Energy Marketing, Inc. to be used at the Rupert Cogeneration Project located at Rupert, Idaho (Talisman supply).

Hearing Adjourned

3. PanCanadian Petroleum Limited - Pipeline Facilities - GHW-1-95

(Refer to item 1 under Hearing Adjourned on page 3 of the 1 January 1996 issue of the *Regulatory Agenda*.)

Hearing Applications Filed

1. Westcoast Energy Inc. - Pine River Plant and Grizzly Valley Raw Gas Transmission System

(Refer to item 1 under Hearing Applications Filed on page 4 of the 1 April 1996 issue of the *Regulatory Agenda*.)

2. Sable Offshore Energy Project (SOEP)

On 11 June 1996, Mobil Oil Canada Properties, as Lead Operator, and Shell Canada Limited, as Joint Operator, applied on behalf of the SOEP proponents for approval of a Certificate of Public Convenience and Necessity and an Order approving the tolls and tariff regime.

On 30 May 1996, the Applicants filed for regulatory approval a Development Plan application with the Canada-Nova Scotia Offshore Petroleum Board, the Nova Scotia Department of Environment, the Nova Scotia Energy and Minerals Conservation Board and the Board. In the application, the participants are requesting the approval of (1) the development of six gas fields in the Sable Island area of the Scotia Shelf (2) a proposed marine pipeline to transport natural gas and associated natural gas liquids to a proposed landfall and gas plant near Country Harbour, Guysborough County in Nova Scotia, and, (3) a proposed onshore pipeline to transport natural gas liquids from Country Harbour to the Point Tupper area of Richmond County in Nova Scotia.

The federal and provincial governments and regulatory agencies, including the Canadian Environmental Assessment Agency, are currently finalizing an agreement to conduct a joint environmental assessment of the application. The joint review will minimize overlap and duplication while still allowing each of the agencies to fulfil their assessment obligations under the appropriate federal and provincial legislation.

Public Inquiry

1. *Stress Corrosion Cracking (SCC)*

The Board held the public hearing portion of the inquiry on SCC from 15 to 23 April 1996 in Calgary.

SCC involves a complex process which can result in the formation of cracks on the surface of a buried pipeline. In severe cases, the pipeline can fail if the cracking goes undetected for several years. There have been seven pipeline failures on the TransCanada system and 15 failures on other Canadian pipeline systems attributed to SCC since 1977. The Board announced 11 August 1995 that because it is seriously concerned about the increased incidence of SCC it

would hold a wide-ranging public inquiry on the occurrence of SCC on Canadian oil and gas pipelines.

Prior to the public hearing, the Board met with 16 different organizations that have a knowledge of SCC. As well, Board representatives met informally with residents and municipal officials in the areas of Rapid City, Manitoba, and Vermillion Bay, Williamstown and Cardinal, Ontario, which are localities of recent pipeline failures. Board representatives also met with representatives of the Ontario Pipeline Landowners Association.

Other Applications

The Board had, or has, before it a number of applications and other matters that do not require public hearings. Since the 1 April 1996 issue of the *Regulatory Agenda*, the matters below have been or are being considered by the Board.

Natural Gas Matters

Matters Completed

1. *KannGaz Energy Marketing, a Division of Wascana Energy Inc. - Contract Amendment - Natural Gas Export Licence GL-229*

On 3 April 1996, the Board approved an application dated 27 March 1996 from KannGaz of amendments to its Gas Sales Contract dated 15 June 1992 with Orange & Rockland Utilities Inc. underpinning exports under Licence GL-229.

2. *TransCanada Gas Services Limited - Contract Amendment - Natural Gas Export Licence GL-175*

On 10 April 1996, the Board approved an application dated 19 March 1996 from TransCanada for approval of an amendment to its Gas Purchase Contract dated 31 October 1991 with Niagara Mohawk Power Corporation underpinning exports under Licence GL-175.

3. *TransCanada Gas Services Limited - Contract Amendment - Natural Gas Export Licence GL-172*

On 10 April 1996, the Board approved an application dated 19 March 1996 from TransCanada for approval of an amendment to its Gas Purchase Contract dated 26 June 1991 with Vermont Gas Systems, Inc. underpinning exports under Licence GL-172.

Oil Matters

Matter Completed

1. *Crude Oil Export by Marine Vessel from the West Coast*

Under the Board's Part VI Regulations, a specific order is required for an exporter to make shipments by marine vessel from the west coast where the crude oil has a sulphur content greater than 0.9 percent by weight. These Regulations were put into effect in December 1985 to monitor air quality impacts from inadvertent odour emission of hydrocarbons and sulphur compounds.

On 1 May 1996, the Board approved an application dated 24 April 1996 from Amoco Canada Petroleum Ltd. to export some 63 595.1 cubic metres (400 000 barrels) of crude oil for the period 20 May to 15 June 1996 (ROE-139-96).

Electricity Matters

Matters Completed

1. *Alberta Power Limited and CU Power International Limited - Electricity Export Permit*

On 25 April 1996, the Board approved an application dated 21 December 1995 from Alberta Power and CU Power for a 10-year permit to export up to 1 210 megawatts of short-term firm power and up to 10 600 gigawatt hours of energy per year on either a firm or interruptible basis.

2. *British Columbia Power Exchange Corporation (POWEREX) - Electricity Export Permit*

On 16 May 1996, the Board approved an application dated 19 March 1996 from POWEREX for a permit to export up to 20 megawatts of firm power and up to 176 gigawatt hours of associated energy to Eugene Water and Electric Board of Oregon commencing 1 October 1996 and ending on 30 September 2000.

3. *Westcoast Gas Services Inc. - Electricity Export Permit*

On 30 May 1996, the Board approved an application dated 1 March 1996 from Westcoast for a 10-year permit to export up to 3 000 gigawatt hours of energy annually on either a firm or interruptible basis.

Matters Under Consideration

4. *British Columbia Power Exchange Corporation (POWEREX) - Electricity Export Permit*

On 13 December 1995, POWEREX applied for a permit to export up to 145 megawatts of power and up to 340 gigawatt hours of firm energy in the first contract year of the requested permit and up to 770 gigawatt hours of firm energy in the following four contract years pursuant to a Sales Agreement with Intalco Aluminum Corporation of Ferndale, Washington. POWEREX requested, pursuant to section 16.1 of the NEB Act, that the Board order that POWEREX need not supply a copy of the sales agreement.

On 17 January 1996, the Board sent a letter to POWEREX requesting additional information. On 12 April 1996, the Board directed POWEREX to file the sales agreement, unless POWEREX had substantial additional evidence to submit supporting its Sales Contract exemption for filing request. Additional evidence was filed on 30 May 1996.

5. *Chandler Energy Inc. - Electricity Export Permits*

On 3 June 1996, Chandler applied for permits to export up to 500 000 megawatt hours on a firm or interruptible basis annually. The requested permits are for 10 years with no single export contract to exceed five years duration.

6. *Enron Capital & Trade Resources Canada Corp. - Electricity Export Permits*

On 4 April 1996, Enron applied for permits to export up to 5 000 gigawatt hours of firm and interruptible energy annually. The requested permits are for 10 years with no single export contract to exceed five years duration.

7. *Ontario Hydro - Amendments to Electricity Export Permit EPE-21*

On 20 July 1995, Ontario Hydro applied for approval to amend Permit EPE-21 by removing certain conditions from the permit. On 24 August 1995, the Board sent a letter to

Ontario Hydro seeking comments on the proposed amended conditions. No response has been received to date.

Permit EPE-21 authorizes Ontario Hydro to export interruptible energy of up to 25 000 gigawatt hours per consecutive 12-month period less actual exports under Permit EPE-23. The permit is for the period 1 July 1991 to 30 June 2006.

Pipeline Matters

Matters Completed

1. *Commodity Pipelines*

As a result of the Canada Transportation Act, which came into force on 1 July 1996, jurisdiction of interprovincial and international commodity pipelines has been transferred from the National Transportation Agency to the Board. Commodity pipelines can be defined as all pipelines other than gas and oil lines and municipal sewer or water lines.

2. *Montreal Pipe Line Limited - Reactivation of Pipeline*

On 3 April 1996, Montreal Pipe Line applied for approval, in anticipation of a possible re-activation of 72 kilometres of pipeline from Montreal to Brigham, Quebec, to conduct hydrostatic testing and visual inspection of the pipeline. The Company plans to conduct the reactivation of the pipeline over a three-year period commencing this spring followed by completion and operation by 1 January 1999.

On 7 June 1996, the Board approved the hydrotesting and smart pigging portion of the re-activation project. The Board also sent a letter to the Company requesting additional information.

3. *Westcoast Energy Inc. - Sale of Nig Creek Pipeline*

On 18 June 1996, the Board approved an application dated 10 April 1996 from Westcoast for approval to sell the Nig Creek Pipeline to B.C. Star Partners. The Nig Creek Pipeline is a 4.67-kilometre long pipeline located at Westcoast's Nig Compressor Station. The sale price of the pipeline is approximately \$44 000.

4. *Documentation and Operation Safety Audit Reports*

The Board has adopted the Operations Safety Audit Report for Monitoring Compliance with the Onshore Pipeline Regulations for Petroleum Transmission Company dated 31 May 1996.

5. *Section 58 Applications*

The Board has approved or is considering several applications under section 58 of the NEB Act involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. These matters may be considered by the Board without a public hearing.

Gas Pipelines

Amoco Canada Petroleum Ltd.

Application dated 10 May 1996

Application: Installation of additional facilities to the existing intermediate pump station for the Laporte Pump Station in Saskatchewan

Estimated Cost: \$174 635

Status: On 14 June 1996, the Board sent a letter to Amoco requesting additional information.

Tidal Resources Inc.

Application dated 26 March 1996

Application: Install at tie-in and valve assembly to the West Hamburg Pipeline.

Estimated Cost: \$ 9 000

Approved on 4 April 1996

Order Number: XG-T81-18-96

TransCanada PipeLines Limited

Application dated 8 March 1996

Application: Seven drainage system upgrades and improvements at several valve and compressor station locations.

Estimated Cost: \$7 077 000

Approved on 27 April 1996

Order Number: XG-T1-15-96

TransCanada PipeLines Limited

Application dated 22 March 1996

Application: Construction of five permanent pig launchers and receivers and upgrading of an existing meter station.

Estimated Cost: \$9 062 000

Approved on 12 April 1996

Order Number: XG-T1-17-96

TransCanada PipeLines Limited

Application dated 2 April 1996

Application: Various projects consisting of a corrosion remediation program, modifications to a meter station and the replacement of fire extinguishing systems at some compressor stations.

Estimated Cost: \$20 837 500

Approved on 3 June 1996

Order Number: XG-T1-20-96

TransCanada PipeLines Limited

Application dated 20 March 1996

Application: Relocation of a 6.3 megawatt compressor unit from Station 1301 to Station 1401.

Estimated Cost: \$11 606 000

Status: On 1 May 1996, the Board sent a letter to TransCanada requesting additional information.

Trans Québec & Maritimes Inc.

Application dated 20 March 1996

Application: Installation of two scraper traps on the Boisbriand, Quebec extension.

Estimated Cost: \$326 200

Approved on 15 April 1996

Order Number: XG-T28-21-96

Westcoast Energy Inc.

Application dated 28 February 1996

Application: Aitken Creek upgrade project.

Estimated Cost: \$6 262 000

Approved on 4 April and 17 June 1996

Order Numbers: XG-W5-19-96 and AO-1-XG-19-96

Westcoast Energy Inc.

Application dated 27 November 1995

Application: Twenty one minor projects on the northern and southern transmission systems and the Fort Nelson, McMahon and Pine River gas plants.

Estimated Cost: \$21 341 000

Approved on 26 April 1996

Order Number: XG-W5-22-96

Westcoast Energy Inc.

Application dated 19 April 1996

Application: Installation of a cyclone type separator on the Train 3 inlet at the Pine River Gas Plant.

Estimated Cost: \$530 000

Approved on 9 May 1996

Order Number: XG-W5-25-96

Westcoast Energy Inc.

Application dated 13 March 1996

Application: Modifications and subsequent reactivation of the Gundy Creek Pipeline located northwest of Fort St. John, British Columbia.

Estimated Cost: \$155 000

Status: On 19 April 1996, the Board sent a letter to Westcoast requesting additional information.

Westcoast Energy Inc.

Application dated 11 April 1996

Application: Replace and relocate approximately 1 700 metres of pipeline in the Coquihalla River area on the Southern Mainline.

Estimated Cost: \$3 277 000

Approved on 24 June 1996

Order Number: XG-W5-11-96

Westcoast Energy Inc.

Application dated 24 May 1996

Application: Install a meter station bypass at Cecil Lake and add a propane fuelled generator set at the Bubbles Station.

Estimated Cost: \$64 000

Status: On 14 June 1996, the Board sent a letter to Westcoast requesting additional information.

Oil Pipelines

Interprovincial Pipe Line Inc.
Application dated 15 January 1996
Application: Install a fibreglass floor lining in Tank 95 at Cromer, Manitoba.
Estimated Cost: \$999 000
Approved on 6 May 1996
Order Number: XO-J1-10-96

Interprovincial Pipe Line Inc.
Application dated 20 March 1996
Application: Construction of an additional tank at the terminal at Cromer, Manitoba.
Estimated Cost: \$6 730 000
Approved on 12 April 1996
Order Number: XO-J1-12-96

Interprovincial Pipe Line Inc.
Application dated 8 April 1996
Application: Modifications to the Condensate Delivery Facilities at the Hardisty Terminal.
Estimated Cost: \$365 000
Approved on 7 May 1996
Order Number: XO-J1-15-96

Interprovincial Pipe Line Inc.
Application dated 17 May 1996
Application: Modifications related to the System Expansion Program I.
Estimated Cost: \$5 732 000
Approved on 7 June 1996
Order Number: XO-J1-17-96

Interprovincial Pipe Line Inc.
Application dated 10 May 1996
Application: Construct water injection, water storage and water treatment facilities in association with the hydrostatic test on Line 3.
Estimated Cost: \$5 290 000
Approved on 10 June 1996
Order Number: XO-J1-18-96

Petroleum Transmission Company
Application dated 2 April 1996
Application: Replacement of ten pipe section in Saskatchewan and Manitoba.
Estimated Cost: \$1 700 000
Approved on 24 April 1996
Order Number: XO-P15-13-95

Trans Mountain Pipe Line Company Ltd.
Application dated 8 April 1996
Application: Expansion of a groundwater treatment system at the Sumas Station.
Estimated Cost: \$475 000
Status: On 3 May 1996, the Board sent a letter to Trans Mountain requesting additional information.

Westspur Pipe Line Company Inc.
Application dated 18 April 1996
Application: Various projects.
Estimated Cost: \$1 519 000
Status: On 28 May 1996, the Board sent a letter to Westspur requesting additional information.

Matters Under Consideration

6. Westcoast Energy Inc. - Wapiti Pipeline

On 15 May 1996, Westcoast applied for approval to construct a 10.2-kilometre long pipeline to transport raw gas from the Ojay production area to the existing Grizzly Pipeline on the Pine River Raw Gas Transmission system. The estimated cost of the project is \$6 273 000.

On 31 May 1996, the Board sent a letter to Westcoast requesting additional information.

7. Westcoast Energy Inc. - Fort St. John System Enhancements

On 17 June 1996, Westcoast applied for approval to upgrade its existing facilities, install new facilities and change system operating procedures to facilitate an increase of approximately 3.8 million cubic metres (135.4 million cubic feet) per day of raw gas transmission on the Fort St. John Raw Gas Transmission system and an increase of 2.6 million cubic metres (92.7 million cubic feet) per day of gas treatment at the McMahon Treatment Plant. Westcoast also applied for a change to its Tariff to reflect the higher receipt pressures necessary to handle the increased volumes of raw gas transmission.

8. Yukon Pipelines Limited - Discontinuance of Operation

On 12 July 1995, Yukon Pipelines filed an application regarding its intention to abandon the 144.5-kilometre Canadian section of the 177-kilometre long pipeline which extends from Skagway, Alaska to Whitehorse, Yukon. Operation of the line ceased in October 1994 and the contents of the line were removed in May and June 1995.

In August 1995, the Board published a notice inviting submissions on the application by 29 September 1995. On 23 November 1995 and 26 February 1996, the Board sent letters to the company requesting additional information.

On 12 March 1996, the White Pass and Yukon Corporation Limited submitted a report which outlined the work plan for an environmental site assessment of this project. Phase I of the environmental work has been completed and a consultant's report is being prepared.

Traffic and Toll Matters

Matters Completed

1. Audit Reports

The Board issued financial audit reports for the following companies:

Pouce Coupé Pipe Line Ltd. - 25 April 1996

Westcoast Energy Inc. - 21 May 1996

2. *TransCanada PipeLines Limited - Revised Short Term Firm Transportation Service*

On 29 May 1996, the Board approved an application dated 17 April 1996, as amended on 10 May 1996, from TransCanada for approval of a new transportation service called Short Term Firm Transportation Service (STFT). The proposed new service is intended to replace Winter Firm Service, Peaking Service, Temporary Winter Service and the existing Short Term Firm Transportation Service. The new service will be simpler to use than combinations of the four services it replaces and, being a firm service with a minimum month duration, will allow shippers to obtain firm supply, market and interconnecting transportation arrangements with confidence. The new STFT is a biddable service with a bid range wide enough to allow the "market" to determine the value.

The Board sought comments from interested persons on the application.

Matters Under Consideration

3. *TransCanada PipeLines Limited - Great Lakes Gas Transmission Limited Partnership - Refund*

On 12 October 1995, TransCanada applied for an order setting out the manner in which it will dispose of funds which the Company expects to receive, over an estimated three year period, from Great Lakes by way of a refund in respect of incremental rates charged by Great Lakes over the period 1 November 1991 to 30 September 1995.

The incremental rates were charged by Great Lakes pursuant to a decision by the Federal Energy Regulatory Commission (FERC) and were borne by TransCanada's shippers through the payment of tolls for service on TransCanada's system. FERC subsequently determined that the payment of these incremental tolls was unjust and unreasonable.

Parties had until 26 January 1996 to file comments on the application and TransCanada had until 14 February 1996 to reply to any comments received.

In its reply comments of 14 February 1996, TransCanada raised the issue of the Board's jurisdiction to order a refund on a historical basis. The Board decided that all parties should be given the opportunity to comment on this ques-

tion and gave parties until 19 April 1996 to file comments and TransCanada until 26 April 1996 to file reply comments.

4. *Trans-Northern Pipelines Inc. - Incentive Toll Settlement*

On 22 April 1996, Trans-Northern applied for approval of an incentive toll settlement, negotiated with its shippers and associated toll orders for the years 1996 onward.

On 9 May 1996, the Board decided to seek the comments of interested persons on the settlement. Interested persons had until 27 May 1996 to comment and Trans-Northern had until 28 May 1996 to reply to any comments received.

5. *Government of the Northwest Territories (GNWT) - Complaint and Notice of Motion - Tolls and Tariffs of Interprovincial Pipe Line (NW) Ltd. IPL(NW) - Norman Wells Pipeline*

On 31 October and 7 November 1995, the GNWT filed a Complaint and a Notice of Motion, respectively, regarding the tolls and tariffs on the Norman Wells Pipeline. The Complaint identifies specific areas where the GNWT believes the current method of calculating the tolls and tariffs for IPL(NW) is incompatible with the manner in which the tolls and tariffs of other pipelines regulated by the Board are determined. The Notice of Motion seeks an order from the Board determining, as a preliminary matter, that the tolls of IPL(NW) be derived based on the same principles as those applied to other Group 1 companies.

The Board determined that preliminary comments on the threshold question of whether it remains appropriate to regulate IPL(NW) based on the 1 January 1980 Norman Wells Pipeline Agreement as amended, should be obtained from IPL(NW), its shippers and interested parties. At the same time as providing comments on the GNWT submissions, the Board also requested that parties identify any other issues which they feel should be considered in an examination of the tolls and tariffs for IPL(NW) should the Board determine that a Part IV proceeding is to be held.

On 9 February 1996, IPL(NW) requested a delay of the Board's release of a decision on the threshold question to allow additional time for IPL(NW) and Imperial Oil Limited to conclude negotiations for potential changes to the Norman Wells Pipeline Agreement. The Board accepted IPL(NW)'s request for a delay and directed that the summary of the negotiated changes and the basis for the changes be filed by 8 March 1996 and that parties had until 15 March 1996 to file comments. IPL(NW) had until 20 March 1996 to file reply comments.

On 8 March 1996, IPL(NW) filed a Summary of Agreement in Principle indicating a proposed amendment to the Norman Wells Pipeline Agreement which was negotiated with Imperial Oil Limited. Parties provided comments by 15 March 1996 with the GNWT suggesting that IPL(NW) initi-

ate a settlement conference prior to 30 April 1996 to explain the proposal more fully. On 21 March 1996, IPL(NW) provided reply comments indicating that it was prepared to hold a settlement conference. IPL(NW) advised the Board that it had scheduled the settlement conference for 2 May 1996.

The settlement conference was held on 2 May 1996. At that time, parties determined that a second conference was required and would be held on 31 May 1996.

On 18 June 1996, the GNWT indicated that if parties did not respond by 1 July 1996 to the concerns it raised at the 31 May 1996 conference, that the GNWT would ask the Board to renew its consideration of the threshold motion and proceed with the GNWT's complaint.

Safety Matter

1. Interprovincial Pipe Line Inc. - Operating Pressure

On 14 March 1996, the Board directed Interprovincial to reduce the operating pressure and pressure test certain portions of its pipeline system and to submit to the Board the results of the pressure testing program.

On 27 February 1996, a rupture occurred on Interprovincial's crude oil pipeline near Glenavon, Saskatchewan. This was the third line break on this pipeline near Glenavon in the past nine months, and the fourth since 1989. Corrosion has been identified as a factor in all four breaks.

To address safety and environmental concerns, the Board, after receiving submissions from Interprovincial, directed Interprovincial to:

- reduce the maximum operating pressure of Line 3 between Odessa Station in Saskatchewan and Cromer Station in Manitoba to 80% of the authorized maximum operating pressure;
- reduce the maximum operating pressure of Line 3 between Cromer Station and Souris Station in Manitoba to 95% of the authorized maximum operating pressure;
- pressure test Line 3 between Odessa Station and Cromer Station in 1996 and file with the Board the results of the pressure testing program;
- submit a pipeline integrity evaluation that demonstrates to the Board that Line 3 will be safe to operate; and,
- file with the Board, by 29 March 1996, a plan and proposed timetable for implementing these directives.

The Board will consider removing the maximum operating pressure restrictions when it has received successful pressure test results and is satisfied that the pipeline is safe to operate at higher pressures.

Frontier Matters

1. Declarations of Significant Discovery and Commercial Discovery

The Board has issued for a 30-day comment period a document entitled *Guidance Notes for Applicants for Applications for Declarations of Significant Discovery and Commercial Discovery*.

Following the discovery of oil or gas in the north or in offshore areas not subject to a federal/provincial shared management agreement, the Board is responsible for making a declaration of Significant Discovery, that is, stating that a discovery has been made and describing the lands to which there are reasonable grounds to believe that the accumulation of oil or gas may extend. Application to the Board to declare a Significant Discovery is made by the holder of the interest or a share of the interest prior to expiry of the interest. The Board may also declare a Significant Discovery on its own initiative, or may amend declarations or revoke previous declarations based on additional drilling.

Once the declaration of Significant Discovery has been made, the interest owner may apply to the Minister of the Department of Indian Affairs and Northern Development for northern onshore and offshore areas or to the Minister of Natural Resources for offshore areas not under the jurisdiction of DIAND and not subject to Accord Agreements, for a Significant Discovery Licence which will continue the interest over the lands described in the declaration.

If an interest holder plans to develop a discovery for production, the holder of the interest or share may apply to the Board for a declaration of Commercial Discovery, defined as a discovery containing petroleum reserves that justifies the investment of capital and effort to bring the it to production. The Board may also declare a Commercial Discovery on its own initiative, or may amend declarations or revoke previous declarations bases on additional drilling.

A declaration of Commercial Discovery enables the interest holder to apply to the responsible minister for a Production Licence which conveys title to the produced oil and gas.

2. Frontier activities for the second quarter of 1996

- (a) Approval was given to Imperial Oil Resources Ltd. for the following work at Norman Wells:
 - (i) "Approval for a Well Operation" to include the use of Shehtah Rig # 4 for operations in the Norman Wells field pursuant to section 19 of the *Canada Oil and Gas Production and Conservation Regulations* on 8 May 1996; and
 - (ii) to install conductor vents on the wells Imperial Norman Wells F-52X and Imperial Norman Wells H-52X pursuant to subsection 159(3) of the *Canada Oil and Gas Drilling Regulations* as well as the *Canada*

Oil and Gas Occupational Safety and Health Regulations on 6 June 1996.

- (b) Authority to Drill a Well, pursuant to section 83 of the *Canada Oil and Gas Drilling Regulations*, was given for: Imperial Norman Wells M-50X - 9 May 1996.
- (c) Approval was given to Purcell Energy Ltd. for an extension of suspended status, for three years, for the Northcor et al Liard F-25A well pursuant to subsection 219(2)b of the *Canada Oil and Gas Drilling Regulations*, 13 June 1996.
- (d) Approval was given to Amoco Petroleum Company Ltd. for an extension of suspended status, for one year, for the Home Signal CSP Celibita H-78 well pursuant to subsection 219(2)b of the *Canada Oil and Gas Drilling Regulations*, 13 June 1996.
- (e) Northern Cross (Yukon) Limited submitted three Applications to Alter Condition of a Well for approval pursuant to subsection 80(1)b of the *Canada Oil and Gas Drilling Regulations*, 16 May 1996:
 Western Minerals Chance YT M-08;
 Socony Mobil W.M. Chance YT G-08; and
 Canoe River Chance YT J-19.
- (f) On 22 April 1996 Panarctic Oils Ltd. (Panarctic) submitted an application for approval of the abandonment of the Bent Horn production operations. The abandon-

ment program will be done pursuant to subsection 5(1) of the *Canada Oil and Gas Operations Act*, Part VIII of the *Canada Oil and Gas Drilling Regulations* and section 58 of the *Canada Oil and Gas Production and Conservation Regulations*. Panarctic has responded to several Information Requests and this information is being evaluated.

- (g) Thirteen applications for geological or geophysical operation authorization were submitted. Six of these have been approved pursuant to section 5 of the *Canada Oil and Gas Operations Act* as follows:

Company	Area	Approval Date
Ranger Oil	Southern NWT (Data Purchase)	25 April 1996
Ocelot Energy	Southern NWT (Data Purchase)	25 April 1996
BFR Geophysical Company	Southern NWT/ Kotanelee Yukon	5 June 1996
BFR Geophysical Company	Southern NWT/ Kotanelee Yukon	5 June 1996
Murphy Oil	Mackenzie Basin NWT	21 June 1996
Norcen Energy	Southern NWT	21 June 1996

Appeals, Referral and Review

Appeals Pending

1. Manitoba Hydro - Application for Leave to Appeal the Board's Amending Order AO-2-EC-III-16

On 30 December 1992, Manitoba Hydro filed an application in the Federal Court of Appeal for leave to appeal the Board's Amending Order No. AO-2-EC-III-16 issued 31 August 1992 regarding alterations to the Dorsey Substation. Manitoba Hydro sought the appeal on the basis that the Board erred in law and jurisdiction in issuing the Order subject to certain conditions.

On 22 February 1993, the Federal Court of Appeal granted the leave application of Manitoba Hydro and a Notice of Appeal was filed by Manitoba Hydro on 20 April 1993. The case has yet to be heard.

2. Richard Leroux and 417 Auto Wreckers Limited - TransCanada PipeLines Limited

On 22 December 1995, the Board found the aggregate application of Richard Leroux did not fall within section 81 of the NEB Act as it did not meet the requirement of "mines or minerals".

On 22 January 1996, Richard Leroux and 417 Auto Wreckers sought leave to appeal the Board's decision and an order for judicial review of the Board's decision. On 29 February 1996, TransCanada applied to the Federal Court of Appeal to quash the judicial review application.

On 29 March 1996, the Court granted the leave to appeal application. On the same date, the Court ordered that the application by TransCanada to quash the judicial review application by Richard Leroux et al be heard orally at a date to be set.

3. Westcoast Energy Inc. - Pesh Creek Pipeline

On 22 January 1996, Westcoast applied to the Federal Court of Appeal for Leave to Appeal the Board's decision of 21 February 1996 approving an application from Novagas Clearinghouse Pipelines Ltd. to construct and operate a 16.5-kilometre long natural gas pipeline which will transport natural gas from a proposed separation, compression and metering facility in northeastern British Columbia to a proposed metering facility in northwestern Alberta.

4. BC Gas Utility Ltd. - Westcoast Energy Inc. - Grizzly Valley Application

On 3 April 1996, BC Gas applied to the Supreme Court for Leave to Appeal the Federal Court's decision of 9 February 1996 in which it decided that the Pine River Plant and Grizzly Valley Raw Gas Transmission System in northeastern British Columbia were under the Board's jurisdiction.

5. West Moberly First Nations - Westcoast Energy Inc. - Southern and Fort Nelson Mainline Looping - GH-2-95

West Moberly applied to the Supreme Court for Leave to Appeal the Federal Court's decision to dismiss West Moberly's leave to appeal of the Board's decision in GH-2-95. In its GH-2-95 Decision, the Board approved expansions of Westcoast's Southern Mainline and Fort Nelson Mainline.

6. Rocky Mountain Ecosystem Coalition (RMEC) - Express Pipeline Project

(Refer to item 2 under Recent Hearing Decisions on page 1.)

On 20 June 1996, the RMEC filed an Originating Notice of Motion with the Federal Court Trial Division. RMEC seeks to quash the report of the Joint Panel and prohibit the Minister of Transport, the Minister of Fisheries and Oceans and the Minister of the Environment from acting upon the report. The application is based on a number of grounds, including an allegation that the Joint Review Panel is not a Joint Review Panel within the meaning of section 40 of the *Canada Environmental Assessment Act*. Furthermore, it is suggested that the Panel failed to carry out an assessment of all of the environmental aspects of the project; It erred in law in its interpretation of the requirement to consider alternatives to the project, and particularly failed in its duty to reconcile the interpretation of the English and French versions of that section of the Act; It erred in its interpretation of the requirement to consider "any cumulative effects that are likely to result from the project" and that it established a threshold for the consideration of cumulative impacts that was higher than that fixed by the Act and failed to give the proper or any meaning, to the word "cumulative"; It failed to provide a rationale, conclusions and recommendations on a follow-up program, and in particular, failed to make recommendations on a program to verify the accuracy of the environmental assessment of the projects. As a result, the application contends that the necessary assessment has not been conducted.

Appeal Completed

7. Alberta Wilderness Association (AWA) and Federation of Alberta Naturalists (FAN) - Express Pipeline Project

(Refer to item 2 under Recent Hearing Decisions on page 2.)

On 19 June 1996, the AWA and the FAN filed an Originating Notice of Motion in the Federal Court of Appeal. The application names as respondents the Board, the Minister of Fisheries and Oceans, the Minister of the Environment, the Attorney General of Canada, Express Pipelines Limited and the individual members of the Panel "in their capacity as an environmental assessment panel appointed under the *Canadian Environmental Assessment Act* to review the Express Pipeline Project". The parties were seeking an order that the Board, the Minister of Fisheries and Oceans and the Governor in Council be prohibited from issuing any permits or approval otherwise allowing the construction of the Express Pipeline Project. It further sought the quashing of any permits or approvals that have been issued. It asked that the decision of the Joint Review Panel, that the project is not likely to cause significant adverse environmental effects, be quashed or declared invalid or unlawful. It sought an order to have the decision of the Panel referred back for determination. Lastly, it was seeking an injunction preventing the Board, the Minister of Fisheries and Oceans, the Governor in Council and Express Pipelines Limited from doing any further act relating to the issuance of any permits or approvals that would allow the construction to proceed, pending determination of the matters in the application.

On 27 June 1996, the Court decided not to allow this application to proceed as it was filed in the Federal Court of Appeal rather than the Federal Court Trial Division.

Referral Pending

1. Novagas Clearinghouse Pipeline Ltd. - Pesh Creek Pipeline - OH-1-96

In January 1996 the Board approved an application from Novagas to construct and operate a 16.5-kilometre (10 miles) long natural gas pipeline which will transport natural gas from a proposed separation, compression and metering facility in northeastern British Columbia to a proposed metering facility in northwestern Alberta.

On 14 June 1996, the Board decided to refer to the Federal Court of Appeal a jurisdictional question over the following upstream and downstream facilities connecting to the applied-for facilities:

- (a) the Peggo Raw Gas Gathering Line;
- (b) the Midwinter Raw Gas Gathering System;
- (c) the Peggo Facility; and
- (d) the proposed downstream connecting facilities to be constructed and operated by NOVA Gas Transmission Ltd., more specifically described as metering and pipeline facilities from the downstream terminus of the Pesh Creek Pipeline to an existing receipt point on the NOVA system in Zama Lake region of Northwestern Alberta.

The Board sought comments from interested parties on the referral question.

Reviews Completed

1. Alberta Department of Energy - Novagas Clearinghouse Pipeline Ltd. - Pesh Creek Pipeline - OH-1-96

On 14 June 1996, the Board dismissed a request dated 19 March 1996 from the Alberta Department of Energy that the Board review and vary its decision to proceed with a reference to the Federal Court pertaining to jurisdiction over the facilities inter-connecting with the Pesh Creek Pipeline.

A majority of the Board concluded that a doubt had not been raised as to the correctness of the Board's decision to proceed with the reference.

Amendments to Regulations

Amendments to the Board's regulations completed or in various stages of preparation, include the following:

1. Onshore Pipeline Regulations

On 6 May 1994, the Board issued a draft revision of the *Onshore Pipeline Regulations* for comment by interested persons.

The Regulations specify the requirements for the protection of property and the environment, and the safety of the public and company employees in the design, construction, operation, maintenance and abandonment of an onshore pipeline. The current regulations have been in effect since June, 1989.

The Board is proposing the amendments to reflect changing pipeline safety and environmental issues arising from pipeline incidents, revised CSA standards, regulatory enforcement responsibilities and general experience working with the regulations.

2. Offshore Pipeline Regulations

The *Offshore Pipeline Regulations* will specify the requirements for the protection of property and the environment and the safety of the public and the company's employees in the design, construction, operation and abandonment of an offshore pipelines.

The Regulations are at the drafting stage.

3. National Energy Board Part VI (Oil and Gas) Regulations

The Regulations were published in Part II of the *Canada Gazette* on 15 May 1996 and are now in effect.

4. National Energy Board Part VI Regulations, Electricity

On 30 April 1996, amendments to the original Part VI Regulations were published in Part II of the *Canada Gazette*.

The amendments have the effect, among other things, of renaming the original Part VI Regulations as the *National Energy Board Part VI Regulations, Electricity*. The other amendments repeal all reference to oil and gas from the original Part VI Regulations.

5. Electricity Regulations

On 30 March 1995, the Board approved, for submission to the Privy Council Office - Justice, the draft *Electricity Regulations*.

The draft regulations set out, among other things, information requirements for applications in respect of electricity exports and international power line facilities, and the terms and conditions of export and facilities permits. These regulations will, in part, replace the Part VI Regulations and parts of Schedule II of the draft *Rules of Practice and Procedure*.

6. Regulations Pertaining to Frontier Oil and Gas Activities

The process of creating and amending regulations pertaining to frontier oil and gas activities, under the provisions of the *Canada Oil and Gas Operations Act*, proclaimed in force in September 1992, is continuing within the Board. At present, the regulatory agenda is as follows:

Regulations which have been pre-published in Part I of the Canada Gazette

Canada Oil and Gas Diving Regulations - Administrative Amendments

Regulations being drafted

Canada Oil and Gas Occupational Safety and Health Regulations - Amendments

Canada Offshore Oil and Gas Drilling Regulations - Re-structuring

Canada Oil and Gas Production and Conservation Regulations -

Amendment

Nova Scotia Offshore Spills and Debris Regulations

Newfoundland Offshore Area Petroleum Occupational Safety and Health Regulations

Nova Scotia Offshore Area Petroleum Occupational Safety and Health Regulations

Physical Environmental Guidelines for Drilling Programs on Frontier Lands

Pursuant to an administrative arrangement between the Board and Natural Resources Canada, the Board is also working with the provinces of Newfoundland and Nova

Scotia in drafting federal and provincial versions of the preceding regulations which pertain to the offshore areas under joint resource management accords.

7. Offshore Waste Treatment Guidelines, 1996

The Board issued a final draft of the above Guidelines for public review by industry and other government departments. The guidelines are scheduled to be issued later this summer.

Other Matters

Natural Gas Resource Assessment of the Southeast Yukon and Southern Northwest Territories

On 6 June 1996, the Board released a report entitled *A Natural Gas Resource Assessment of the Southeast Yukon and Southern Northwest Territories*. The study assesses the geology, resource potential and associated supply costs for undiscovered gas resources in an area of current exploration interest.

The study area is enclosed by longitudes 114° to 125° west and latitudes 59° to 63° north covering an area of some 20 million hectares, overlying a continuation of the Western Canada Sedimentary Basin. In order to assemble sufficient data it was necessary to expand the study area south of the territorial boundary to include the information on the geology and discoveries in northern Alberta and British Columbia.

In the study area to date, over 800 exploratory wells have been drilled and over 200,000 kilometres of seismic have been shot, resulting in 227 gas discoveries containing marketable gas reserves of 175.6 billion cubic metres (6.2 trillion cubic feet), 17 percent of which has been found in 23 significant discoveries north of 60°. The study indicates a total undiscovered potential of 289.0 billion cubic metres (10.2 trillion cubic feet) of marketable natural gas, of which 170.0 billion cubic metres (6.0 trillion cubic feet) is expected to be north of 60°. This is an increase of 140 billion cubic metres (4.9 trillion cubic feet) from the Board's previous estimate.

The study has identified 23 separate natural gas plays within the study area: ten can be described as "established" (those with more than six discoveries) and 13 plays can be described as "immature" (less than six discoveries) or "conceptual" (no discoveries).

The supply cost analysis of the ten established plays indicates that about 28.3 billion cubic metres (1.0 trillion cubic feet), or 20 percent of the estimated undiscovered marketable gas resources, could be recovered at prices up to \$70.00 per thousand cubic metres (\$2.00 per thousand

cubic feet) at the U.S. border export point in either southern Alberta or British Columbia.

Procedure for Dealing with Crude Oil and Equivalent Export Licence Applications

The Board is seeking the views of interested parties on the appropriateness of changing its licensing procedures for exports of crude oil and equivalent. In a letter dated 5 February 1996, the Minister of Natural Resources asked that the Board develop for the Minister's consideration a market-based procedure for the review of oil export licence applications, similar to that currently used for natural gas or electricity.

The Board, having regard to the characteristics of crude oil supply and markets, and to the economic interest of Canadian crude oil producers and consumers, is of the view that the Fair Market Access (FMA) model used for electricity is well suited to the licensing of crude oil exports. Under an FMA procedure for crude oil, interested Canadian refiners and marketers should have a fair opportunity to purchase Canadian crude oil supplies on similar terms and conditions as are made available to export customers. Canadian refiners and marketers are well-placed to assess the future requirements of Canadian markets. If the Canadian buyers are not interested in purchasing crude oil intended for long-term export, the crude oil can be deemed to be surplus to Canadian needs.

To facilitate interested parties in the preparation of submissions, the Board issued a report entitled *Proposed Procedure for Dealing With Crude Oil and Equivalent Export Licence Applications*. The Board asked that interested persons wishing to comment on the proposed procedure file a letter of intent with the Board by 7 June 1996. Thereafter, comments of interested persons must be filed with the Board by 12 July 1996 and reply comments are to be filed by 2 August 1996.

The implementation of a proposed FMA procedure for crude oil will not impact on the current approval process for short-term crude oil exports. The process for approving short-term export orders will remain unchanged.

Administrative Matters

Electronic Regulatory Filing (ERF)

ERF Phase I Information Architecture, Design, Specification and Document Type Definition Development

On 22 April 1996, the results of the ongoing Information Architecture Design and Development (IADD) work were discussed in a cross-Canada videoconference. Participants from the NEB, Ontario Energy Board, regulated companies and industry associations were presented with an analysis of business requirements and the flow of information in the existing regulatory framework, as well as opportunities for improvement with electronic filing. Four key business drivers for ERF were identified: reduced cycle times for processing applications, reduced regulatory costs, improved stakeholder relations and an improved ability to lead and adapt to change. These business drivers will provide the foundation for creating new electronic document architectures to support ERF testing and implementation.

Based on these results, the ERF External Implementation Committee unanimously decided to continue work on Phase I of ERF at a go/no go decision meeting held on 22 April. IADD teams, representing industry and government, will now undertake a high level analysis of standardized document types, assessing the business priorities and financial impacts involved in proceeding with ERF.

ERF Phase II Proof of Concept and Pilot Projects

The Board plans to begin implementation of Phase II in Fall 1996. The focus will be on testing the electronic document types developed in Phase I and proving they are workable for the creation, exchange and reuse of regulatory information. This phase will also lead to verification of the benefits and impacts of ERF.

The regulatory document types being considered in Phases I and II are:

Export and import submissions (federally regulated)
Facilities and rates submissions (federally and provincially regulated)
Surveillance reports (federally and provincially regulated)
Franchises and funding (provincially regulated)

Neil Levette gave a briefing to the NARUC Staff Subcommittee on Computing in Portsmouth, New Hampshire on 16 May and Brenda Kenny provided an ERF update to the Canadian Energy Pipeline Association in Calgary on 11 June. Meetings were held with the ERF Standards Committee in Montreal on 26 April and in Vancouver on 12 June.

Appointment

On 17 May 1996, Ms. Judith A. Snider was appointed Board Member for a seven-year term. Ms. Snider joined the Board in 1992, as General Counsel and served as a temporary Board Member from February 1995 to February 1996.

Speeches

"*Toward Incentive Regulation of Canadian Pipelines*" a presentation by Kenneth W. Vollman, Vice Chairman, to the Fifth Annual DOE-NARUC Natural Gas Conference held in St. Louis, Missouri on 1 May 1996.

"*The Public Interest Issues Associated with the Management and Maintenance of Canadian Pipeline Infrastructure*" a presentation by R. Priddle, Chairman, to the International Pipeline Conference held in Calgary on 11 June 1996.

Documents Issued - 1 April to 30 June 1996

Reasons for Decision

TransCanada PipeLines Limited - St. Clair River Crossing - GH-2-96 - Reasons for Decision dated May 1996; issued on 3 June 1996

Reports

Express Pipeline Ltd. - Pipeline Facilities - OH-1-95 - Report of the Joint Review Panel dated May 1996; issued on 21 May 1996

Natural Gas Resource Assessment of the Southeast Yukon and Southern Northwest Territories - Issued on 6 June 1996

Others

Proposed Procedure for Dealing with Crude Oil and Equivalent Export Licence Applications - Issued on 29 May 1996

Instructions for Filing

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 311 - Sixth Avenue S.W., Calgary, Alberta, T2P 3H2; Telephone (403) 292-4800; Fax (403) 292-5503.

Appendix I lists the number of copies required for the different types of applications.

Telephone Numbers

A current list of Board Members and key staff telephone numbers is attached as Appendix II.

Electronic Bulletin Board

Bulletin Board System, (403) 299-2751

Bulletin Board System Helpline 9:30 to 10:30 a.m. (MT)
(403) 299-3919

The bulletin board is available around the clock, with the exception of specified hours for data loading or occasional system upgrades. Bulletin board users can obtain news releases, hearing orders, regulatory agendas, decision overviews, appendices to the *Annual Report* and selected oil and gas statistics in electronic format. All information will be posted in both official languages. A user guide with instructions is available for reference. Users should set their communications software to:

- 300, 1200, 2400, 9600, 14 400 or 16 800 baps;
- full duplex;
- no parity;
- eight data bits; and
- one stop bit.

Board Document System (BDS)

The Board has a BDS system available to the public, offering direct access to an electronic library of regulatory documents. Document contents may be searched on-line with full-text search capabilities. Presently, the system contains Reasons for Decision dating from 1985 and hearing tran-

scripts from 1991. Other document types will be added gradually, as they become available in standardized electronic format. The BDS may be used from remote locations or at the Board's Library. The only cost to users will be long-distance telephone charges, if any, to connect to the system.

All users are asked to register with the Board and sign a public access agreement. This agreement explains the responsibilities of the user and outlines relevant terms and conditions. Request for a user account may be made by mail, facsimile or telephone to our Regulatory Support Office (403) 292-4800. For more information, a brochure on the Board Document System is also available to interested parties.

Mailing Lists

If you are not already on the Board's mailing lists and wish to be added thereto, please write to the Secretary of the Board providing your mailing address and the type of material you would be interested in receiving. The following are the Board's current mailing lists:

- L1: Everything the Board issues
- L4: Oil and gas matters
- L5: Electrical matters
- L6: Annual Report only
- L7: News Releases only
- L8: Regulatory Agenda only
- L9: Environmental matters

National Energy Board

J. S. Richardson

Secretary

For copies of documents contact:

For information contact:

Regulatory Support Office (403) 292-4800

Denis Tremblay (403) 299-2717

Appendix I

Number of Copies Required for Filings

Applicants are requested to provide the following number of copies of their applications or other filings to the National Energy Board. For matters not listed below, one copy is sufficient.

Type of Application or Filing	No. of Copies	Type of Application or Filing	No. of Copies
(a) Hearing Matters		(iii) Oil Exports	
(i) Certificates		Registered Oil Export Orders	05
Pipeline	25	(iv) Tolls	
Power Line	20	Class I and II Adjustments	20
(ii) Export Licence		Interim Orders	20
Natural Gas	25	Operating and Maintenance Budgets	20
Electricity	20	Changes in Depreciation Rates	20
(iii) Tolls	25	Quarterly Surveillance Reports	20
(iv) Land Acquisitions	20	New or Changed Tariffs	20
(b) Non-Hearing Matters		Domestic Gas Sales Contracts and Amendments	20
(i) Natural Gas		Amendments to Tariff Orders	20
Export Orders	20	(v) Pipelines and Power Lines	
Orders for Transmission Access	20	Permits	15
Licence Amendments	20	Exemption Orders Pipelines (Sec. 58)	20
Amendments to Export Contracts	20	Certificate Amendments	20
Licence Revocations	20	Leave to Sell or Transfer	20
(ii) Electricity Exports		Incident Reports	20
Permits	15	(vi) Other	
Licence or Permit Amendments	15	Application for Review	20
Licence or Permit Revocations	15		

The number of copies of interventions or submissions to be provided in response to applications will be specified in the applicable hearing order. Private individuals who would find the provision of multiple copies an undue financial burden may file one copy, with a request to be excused from multiple filing.

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 311 - Sixth Avenue S.W., Calgary, Alberta, T2P 3H2: Telephone (403) 292-4800; Fax (403) 292-5503.

Appendix II

Selected List of Telephone Numbers (Area Code 403)

General Information	292-4800	Library, Information	299-3561
Incident Reporting Number	1-800-632-1663	General Information and	
	1-800-NEB-1-ONE	Board Distribution Centre	292-4800
Bulletin Board System	299-2751		
Bulletin Board System Helpline			
9:30 to 10:30 a.m. (MT)	299-3919		
Board Members			
Chairman	Roland Priddle	299-2724	
Chairman's Assistant	Esther Binder	299-2725	
Secretary	Carmen Morin	299-2726	
Vice-Chairman	Kenneth Vollman	299-2730	
Secretary	Lillian Handelman	299-2741	
Member	Anita Côté-Verhaaf	299-2739	
Secretary	Lillian Handelman	299-2741	
Member	Roy Illing	299-2729	
Secretary	Mona Butler	299-2728	
Member	Robert Andrew	299-2736	
Secretary	Mona Butler	299-2728	
Member	Judith Snider	299-2737	
Secretary	Lorraine Welsh	299-2734	
Temporary Member ^(a)	Glennis Lewis	299-2740	
Temporary Member ^(a)	Richard Revel	299-2740	
Secretary	Lorraine Welsh	299-2734	
<i>(a) Temporary members for the purpose of the review of the Express Pipeline Project</i>			
Executive Director			
Executive Director	Gaétan Caron	299-2700	
Admin. Assistant	Jan Dane	299-2701	
Office of the Secretary			
Secretary	Scott Richardson	299-2711	
Administrative and			
Regulatory Assistant		299-2712	
A/Assistant Secretary,			
Regulatory	Michel Mantha	299-2714	
A/Assistant Secretary,			
Communications	Karla Reesor	299-2713	
Communications Officer	Denis Tremblay	299-2717	
Communications Officer	Ross Hicks	299-3930	
Communications Officer	Ruth Grenville	299-2719	
Finance, Administration and Information Technology Branch			
Director	Brenda Kenny	299-3565	
Secretary	Lilly Armstrong	299-3692	
Manager, User Services			
(Information Technology)	Ken Wing	299-3602	
Project Manager, Electronic			
Regulatory Filing	Brenda Kenny	299-3565	
A/Manager,			
Network Management	Neil Levette	299-3613	
Personnel Branch			
Director	Jim Thompson	299-3694	
A/ Secretary	Wendy Rogers	299-3695	
Compensation and Staff Relations			
Manager	Joyce Morrison	299-3699	
Staffing and Human Resources			
Manager	Christine Elder	299-3698	
Economics Branch			
Director	John Hayward	299-2757	
A/Secretary	Colleen Holt	299-3629	
Economics and Energy Analysis Division			
Manager	Bob Modray	299-3157	
Regulatory Economics Division			
Manager	Glenn Booth	299-3621	
Energy Commodities Branch			
A/Director	Hans H. J. Pols	299-3195	
Senior Secretary	Jan McClintock	299-3166	
A/Administrative			
Assistant	Janine Kessler	299-3185	
Electric Power			
Manager	Ivan Harvie	299-3165	
Gas Export			
Manager	Cliff Brown	299-3190	
Gas Market Analysis and Export Surveillance			
Manager	Sandra McDonough	299-3186	

Transportation and Oil Exports

Manager	Hans H. J. Pols	299-3195
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Energy Resources Branch

Director	Graham Campbell	299-3102
Administrative		
Coordinator	— Anne-Marie Howe	299-3517
Secretary	Pat Cormier	299-3103

Crude Oil, NGL and Coal Supply Division

Manager	Gerrit Hos	299-3120
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Natural Gas Supply Division

Manager	Paul Bourgeois	299-3149
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Reservoir Engineering Division

Manager	Cliff Gemeroy	299-3138
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Geology and Resource Assessment Division

A/Manager	Kevin Goble	299-3140
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Engineering Branch

Director	John McCarthy	299-2766
Administrative		
Coordinator	Cecilia Cupido	299-2752

Development Engineering and Group II Pipelines

Manager	Terry Baker	299-2792
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Safety Audit

Manager	Franci Jeglic	299-2774
---------	---------------	----------

Accident Investigation

Manager	Jake Abes	299-2777
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Group I Pipelines

Manager	Paul Trudel	299-2768
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Regulatory Development and Safety Studies

Manager	Robert Power	299-2769
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Environment Branch

Director	Ken Sato	299-3675
Administrative		
Coordinator	Paulette Richard	299-3680
Secretary	Geraldine Metcalfe	299-3676

Biological Sciences Division

Manager	Jim McComiskey	299-3677
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Physical Sciences Division

Manager	Oleh Mycyk	299-3678
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Operations Emergency Response and Financial Liability Division

Manager	Jim Anderson	299-3682
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Socio-Economics and Lands

Manager	John Stewart	292-5048
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Environmental Studies Research Funds

Manager	Oleh Mycyk	299-3678
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Financial Regulation Branch

Director	Terrance Rochefort	299-3646
Administrative		
Coordinator	Janet Soucy	299-3648

Westcoast Energy Inc., Interprovincial Pipe Line Inc., Trans Mountain Pipe Line Limited, Trans-Northern Pipelines Inc. and Cochin Pipe Lines Ltd.

Manager	Albert Fung	299-3662
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TransCanada PipeLines Limited, Gazoduc T.Q.M., Interprovincial Pipe Line (NW) Ltd., Alberta Natural Gas Company Ltd and Foothills Pipe Lines Ltd.

Manager	Steve Brown	299-3653
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Law Branch

A/General Counsel		
and Director	Judith Hanebury	292-6497
Secretary	Susan Gudgeon	299-2704
Counsel	Erin Bourgeault	299-2708
Counsel	Peter Noonan	299-3552
Secretary	Corina Smith	299-3551
Counsel	Boris de Jonge	292-6495
Counsel	Irene Gendron	299-2709
Counsel	Christine Beauchemin	292-6489
Secretary	Caroline Healy	292-6540

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament. Over the course of its history, it has played an important role in the development of Canada's energy sector.

The Board's regulatory powers under the National Energy Board Act include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and designated interprovincial and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment, and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by the Ministry of Labour to administer Part II of the *Canada Labour Code*.

National Energy Board
311 Sixth Avenue S.W.
Calgary, Alberta
T2P 3H2

(403) 292-4800

Regulatory Agenda

the period covered in this Regulatory Agenda is 1 July to 30 September 1996

Applications Considered by Public Hearing

Oral Hearings

Recent Hearing Decisions

1. *Interprovincial Pipe Line Inc. - System Expansion Phase II - OH-1-96*

Reasons for Decision dated July 1996; issued on 17 July 1996.

The Board approved the construction of approximately 148 kilometres (89 miles) of oil pipeline from a point near Edmonton to a point near Hardisty, Alberta. The Board also approved the replacement of 12 kilometres (7.2 miles) of pipeline at various locations between Hardisty and Herschel, Saskatchewan, the addition, modification and replacement of pumping units and other modifications to Interprovincial's system. The expansion will increase the capacity of Interprovincial's system to Chicago by approximately 19 600 cubic metres (123 000 barrels) per day. The estimated cost of the expansion is \$140 million. The expected in-service date is the second half of 1998.

The Board considered the application at a public hearing held from 3 to 7 June 1996 in Calgary.

2. *Westcoast Energy Inc. - Helmet/Peggo Facilities - MH-2-96*

Reasons for Decision dated July 1996; issued on 30 July 1996.

The Board approved Westcoast's application to acquire from 3181782 Canada Inc. certain natural gas pipelines and associated facilities in the Helmet North, Midwinter and Peggo gas producing areas in northeast British Columbia and a certificate to operate the facilities. The Helmet/Peggo Facilities consist of 45 segments of pipeline totalling 173 kilometres (107 miles) and six compressor stations. The estimated cost of the Helmet/Peggo Facilities is \$30 million. The Hunter Facilities consists of three pipeline segments connected to the Helmet/Peggo Facilities totalling 8.8 kilometres (5.5 miles). The estimated cost of the Hunter Facilities is \$666,000.

The Board decided that 46.7 percent of the costs associated with the Helmet/Peggo and Hunter Facilities should be rolled-in Westcoast's Zone 1 tolls and that the Company should recover the remaining 53.3 percent of the costs through the contractual surcharge arrangements that were negotiated with the Helmet/Peggo shippers.

The Board held a public hearing on the application on 17, 18, 19 and 24 June 1996 in Vancouver.

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PREFACE

The purpose of this quarterly agenda is to provide information on the Board's activities.

Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the National Energy Board Act, R.S.C. 1985, c.N-7, as amended.

"Our purpose is to make decisions that are fair, objective and respected."



3. Manito Pipelines Ltd. - Abandonment of Facilities - MH-1-96

Reasons for Decision dated July 1996; issued on 1 August 1996.

The Board approved the abandonment of approximately 21 kilometres (13 miles) of pipeline from Blackfoot, Alberta to Dulwich, Saskatchewan. Manito maintained that this portion of its pipeline was no longer economically viable to operate. Upon finalization of the abandonment, the remainder of Manito's pipeline from Dulwich to Kerrobert, Saskatchewan will no longer be under the Board's jurisdiction.

The Manito pipeline system is 182.7-kilometre (113 miles) long. It is used to transport heavy crude oil from Blackfoot to Interprovincial Pipe Line Inc.'s system at Kerrobert. In 1971, construction of the original pipeline from Dulwich to Kerrobert was completed in the province of Saskatchewan under provincial jurisdiction. In 1976, the Dulwich to Blackfoot extension was built and the entire pipeline came under the Board's jurisdiction.

The Board considered the application at a public hearing held from 21 to 24 May 1996 in Calgary.

(Morgan Hydrocarbons Inc. filed a Leave to Appeal and Stay Application with the Federal Court of Appeal and an Application for Stay with the Board, refer to item 6 under Pipeline Matters on page 8, item 9 under Toll and Traffic Matters on page 10 and item 9 under Appeals on page 12.)

4. Yukon Pipelines Limited - Abandonment of Facilities - MH-3-96

Reasons for Decision dated September 1996; issued on 9 September 1996.

The Board approved the abandonment of the 144.5-kilometre (90 miles) Canadian section of the 177-kilometre long (110 miles) pipeline which extends from a point on the international boundary between British Columbia and Alaska, U.S.A. to Whitehorse, Yukon. The facilities also consist of a tank farm located in Whitehorse and a pump station, previously deactivated, located near Carcross, Yukon.

The Company estimates that the cost of removing the pipe, dismantling storage tanks and associated pumping equipment and conducting the required environmental assessments and remediation would be \$1.6 million. This would be offset by sale of the pipe, tanks and land occupied by the Upper Tank Farm in Whitehorse.

The Board held a public hearing on the application on 20 August 1996 in Whitehorse.

Hearings Scheduled

1. TransCanada PipeLines Limited - 1997-1998 Facilities - GH-3-96

The Board will hold a public hearing commencing on 7 October 1996 in Winnipeg on a revised application by TransCanada for approval of proposed 1997/1998 facilities expansion.

In an application dated 3 April 1996, as revised on 2 August 1996, TransCanada applied to add 205.2 kilometres (127.5 miles) of pipeline looping, 13 compressor units, three after-coolers, manifolding and compression-related items to its system in Saskatchewan, Manitoba and Ontario. These facilities would enable TransCanada to provide incremental natural gas services totalling approximately 8.1 million cubic metres (286.7 million cubic feet) per day for both domestic and export markets. The estimated capital cost of the new facilities is \$897.0 million. Construction is scheduled for 1997, with 138.0 km (85.8 miles) of the pipeline looping proposed for a 1 April 1997 in-service date, and the remainder to be in service for 1 November 1997.

The Board will also consider at the hearing an application dated 14 May 1996 by Renaissance Energy Ltd. for the provision of and access to TransCanada's system.

2. PanCanadian Petroleum Limited - Service on Interprovincial Pipe Line Inc.

The Board will hold a public hearing commencing on 4 November 1996 in Calgary on an application by PanCanadian for an order which would require Interprovincial to receive, transport and deliver natural gas liquids for PanCanadian from Kerrobert, Saskatchewan.

In its application, PanCanadian stated that its new gas processing plant at Empress, Alberta will be placed in service in September, 1996. The Company will transport the natural gas liquids extracted from the Empress plant to Kerrobert, where it wants Interprovincial to accept delivery for transportation on its pipeline system.

Hearing Cancelled

1. Westcoast Energy Inc. - Fort St. John Facilities Upgrade

The Board cancelled a public hearing that was scheduled to be held commencing on 6 August 1996 on an application by Westcoast to upgrade its Fort St. John Facilities. An agreement was reached between Westcoast, Canwest Gas Supply Inc., B.C. Star Partners Inc. and ENCO Gas Ltd. concerning receipt point pressures on part of the Fort St. John Raw Gas Transmission system. In light of the agreement, the Board decided to cancel the hearing.

Further consideration of this application was conducted by way of a written proceeding and the Board approved the application on 13 August 1996.

The Board approved the upgrade of existing facilities, installation of new facilities and changes to system operating procedures to facilitate an increase of approximately 3.8 million cubic metres (135.4 million cubic feet) per day of raw gas transmission on the Fort St. John Raw Gas Transmission system and an increase of 2.6 million cubic metres (92.7 million cubic feet) per day of gas treatment at the McMahon Treatment Plant. The Board also approved a change to the Tariff to reflect the higher receipt pressures necessary to handle the increased volumes of raw gas transmission. The estimated cost of the project is \$3.6 million.

Written Hearings

Recent Hearing Decision

1. Various Gas Export Applications - GHW-1-96

Reasons for Decision dated September 1996; issued on 24 September 1996.

The Board approved eight applications for licences to export some 3.17 million cubic metres (112.1 million cubic feet) of natural gas per day for periods ranging from six to 20 years.

The Board issued licences to the following:

- (a) Coastal Gas Marketing Company for export at Chippawa, Ontario for Coastal's system supply to serve its U.S. Northeast market (seven suppliers);
- (b) Coastal Gas Marketing Company for export at Emerson, Manitoba to American Crystal Sugar Company of Minnesota and ProGold Limited Liability Company of North Dakota (Morrison Petroleum Ltd. supply);
- (c) Coastal Gas Marketing Company for export at Emerson, Manitoba to American Crystal Sugar Company of Minnesota and ProGold Limited Liability Company of North Dakota (Petro-Canada supply);
- (d) Morgan Hydrocarbons Inc. and Coastal Gas Marketing Company, a joint application, for export at Iroquois, Ontario for Coastal's system supply to serve its U.S. Northeast market (Morgan supply);
- (e) Renaissance Energy Ltd. for export at Niagara Falls, Ontario to Iroquois Energy Brokers, LLC for resale to end use customers in the States of New York and Pennsylvania (Renaissance supply);
- (f) St. Lawrence Gas Company, Inc. for export at Cornwall and Iroquois, Ontario for system supply to serve its existing market in northern New York

(TransCanada Gas Services supply);

- (g) Talisman Energy Inc. for export at Huntingdon, British Columbia for sale to Eastern Energy Marketing, Inc. to be used at the Glenss Ferry Cogeneration Project located at Glenss Ferry, Idaho (Talisman supply); and,
- (h) Talisman Energy Inc. for export at Huntingdon, British Columbia for sale to Eastern Energy Marketing, Inc. to be used at the Rupert Cogeneration Project located at Rupert, Idaho (Talisman supply).

Hearing Adjourned

2. PanCanadian Petroleum Limited - Pipeline Facilities - GHW-1-95

(Refer to item 1 under Hearing Adjourned on page 3 of the 1 January 1996 issue of the Regulatory Agenda.)

Hearing Applications Filed

1. Sable Offshore Energy Project (SOEP)

On 11 June 1996, Mobil Oil Canada Properties, as Lead Operator, and Shell Canada Limited, as Joint Operator, applied on behalf of the SOEP proponents for approval of a Certificate of Public Convenience and Necessity and an Order approving the tolls and tariff regime.

On 30 May 1996, the Applicants filed for regulatory approval a Development Plan application with the Canada-Nova Scotia Offshore Petroleum Board, the Nova Scotia Department of Environment, the Nova Scotia Energy and Minerals Conservation Board and the National Energy Board. In the application, the participants are requesting the approval of (1) the development of six gas fields in the Sable Island area of the Scotia Shelf (2) a proposed marine pipeline to transport natural gas and associated natural gas liquids to a proposed landfall and gas plant near Country Harbour, Guysborough County in Nova Scotia, and, (3) a proposed onshore pipeline to transport natural gas liquids from Country Harbour to the Point Tupper area of Richmond County in Nova Scotia.

On 10 September 1996, a five person Panel was established to conduct the Joint Public Review of the Sable Gas Projects. The Panel will be chaired by Dr. Robert Fournier of Dalhousie University with the other members being Dr. John Sears, Saint Francis Xavier University (retired), Ms Jessie Davies, University of New Brunswick, Mr. Kenneth W. Vollman, National Energy Board and Mme Anita Côté-Verhaaf, National Energy Board.

The Panel was established pursuant to the Agreement for a Joint Public Review of the Sable Gas Projects. This Agreement was developed to avoid jurisdictional overlap and

duplication and was announced by the signatories on 17 July 1996. The parties to the agreement are the federal ministers of Environment and Natural Resources, the Nova Scotia ministers of Environment and Natural Resources, the National Energy Board and the Canada Nova Scotia Offshore Petroleum Board.

2. Novagas Clearinghouse Pipelines Ltd. - Pipeline Construction

On 20 September 1996, Novagas applied to construct and operate a natural gas liquids pipeline from northeastern British Columbia into Alberta.

Novagas proposes to construct approximately 58 kilometres (35 miles) of natural gas liquids pipeline with associated pumping and metering facilities from the Solex Developments Company Inc. straddle plant at Taylor, British Columbia to connect to a Novagas metering facility in Alberta. The proposed facilities, known as the Taylor-

Boundary Lake Liquids Pipeline Project, will enable natural gas liquids including ethane, butane and condensate to be delivered to fractionation facilities in Alberta and subsequently delivered to markets.

The estimated cost of the project to be \$8 million. The Company plans for construction to begin in two phases starting in June 1997, with an in-service date of 1 April 1998.

3. Various Gas Exports - GHW-2-96

The Board received five applications to export some 10 billion cubic metres (356 billion cubic feet) of natural gas for periods ranging from 10 to 16 years. The applications were from Coastal Gas Marketing Company, Enron Capital & Trade Resources Corp., PanEnergy Marketing Limited Partnership, ProGas Limited (three licences) and United States Gypsum Company

Public Inquiry

1. Stress Corrosion Cracking (SCC)

The Board held the public hearing portion of the inquiry on SCC from 15 to 23 April 1996 in Calgary.

SCC involves a complex process which can result in the formation of cracks on the surface of a buried pipeline. In severe cases, the pipeline can fail if the cracking goes undetected for several years. There have been seven pipeline failures on the TransCanada system and 15 failures on other Canadian pipeline systems attributed to SCC since 1977. The Board announced 11 August 1995 that because it is seri-

ously concerned about the increased incidence of SCC it would hold a wide-ranging public inquiry on the occurrence of SCC on Canadian oil and gas pipelines.

Prior to the public hearing, the Board met with 16 different organizations that have a knowledge of SCC. As well, Board representatives met informally with residents and municipal officials in the areas of Rapid City, Manitoba, and Vermillion Bay, Williamstown and Cardinal, Ontario, which are localities of recent pipeline failures. Board representatives also met with representatives of the Ontario Pipeline Landowners Association.

Other Applications

The Board had, or has, before it a number of applications and other matters that do not require public hearings. Since the 1 July 1996 issue of the Regulatory Agenda, the matters below have been or are being considered by the Board.

Natural Gas Matters

Matters Completed

1. Brooklyn Navy Yard Cogeneration Partners, L.P. - Contract Amendments - Natural Gas Export Licence GL-232

On 27 August 1996, the Board approved an application dated 21 August 1996 from Brooklyn Navy for approval of:

- an amending agreement dated 1 May 1996 to the Gas Sales Contract dated 21 October 1993 between Brooklyn Navy and Crestar Energy; and
- an amending agreement dated 1 May 1996 to the Gas Sales Contract dated 20 October 1993 between Brooklyn Navy and PanCanadian Petroleum Limited.

2. CanStates Gas Marketing and Transco Energy Marketing Company - Natural Gas Export Licences GL-136 and GL-137

On 23 April 1996, CanStates and TEMCO applied for approval of amendments dated 8 March 1996 to the Gas Sales Contract dated 11 December 1980 between CanStates,

TEMCO and Alberta Natural Gas Company Ltd underpinning natural gas exports under Licence GL-136. The applicants also requested that Licences GL-136 and GL-137 be transferred from Gas Trade Inc., ANG Resources Marketing Ltd. and 375660 Alberta Ltd., carrying on business together in partnership under the firm name and style of CanStates and TEMCO to CanStates, the partnership, and TEMCO.

On 1 August 1996, the Board approved the amendments to the Gas Sales Contract. With respect to the transfer of the licences, the Board sent a letter to the applicants requesting additional information.

Electricity Matters

Matters Completed

1. British Columbia Power Exchange Corporation (POWEREX) - Electricity Export Permit

On 13 September 1996, the Board approved an application dated 13 December 1995 from POWEREX for a permit to export up to 145 megawatts of power and up to 340 gigawatt hours of firm energy in the first contract year of the requested permit and up to 770 gigawatt hours of firm energy in the following four contract years pursuant to a Sales Agreement with Intalco Aluminum Corporation of Ferndale, Washington.

2. Chandler Energy Inc. - Electricity Export Permits

On 29 August 1996, the Board approved an application dated 3 June 1996 from Chandler for permits to export up to 500 gigawatt hours of energy annually on either a firm or interruptible basis. The requested permits are for 10 years with no single export contract to exceed five years duration.

3. Enron Capital & Trade Resources Canada Corp. - Electricity Export Permits

On 17 July 1996, the Board approved an application dated 4 April 1996 from Enron for permits to export up to 5 000 gigawatt hours of energy annually on either a firm or interruptible basis. The requested permits are for 10 years with no single export contract to exceed five years duration.

Matters Under Consideration

4. Ontario Hydro - Amendments to Electricity Export Permit EPE-21

On 20 July 1995, Ontario Hydro applied for approval to amend Permit EPE-21 by removing certain conditions from the permit. On 24 August 1995, the Board sent a letter to Ontario Hydro seeking comments on the proposed amended conditions. No response has been received to date.

Permit EPE-21 authorizes Ontario Hydro to export interruptible energy of up to 25 000 gigawatt hours per consecutive 12-month period less actual exports under Permit EPE-23. The permit is for the period 1 July 1991 to 30 June 2006.

5. Sonat Power Marketing Inc. and L.P. - Electricity Export Permits

On 23 August 1996, Sonat applied for permits to export up to 400 megawatts and 3 500 gigawatt hours of firm power and energy and up to 3 500 gigawatt hours of interruptible energy in any consecutive 12 month period. The requested permits are for 10 years with no single export contract to exceed five years duration.

6. TransAlta Enterprises Corporation - Amend Electricity Export Permits EPE-73 and EPE-74

On 20 June 1996, TransAlta applied for approval to amend Permits EPE-73 and EPE-74 to allow for export from anywhere in Canada over all international power lines, whereas the original application was for exports from Alberta over international power lines located in British Columbia.

On 2 August 1996, the Board decided to seek the views of interested parties on the application.

Pipeline Matters

Matters Completed

1. Safety Management Audit Reports

On 8 July 1996, the Board approved a Safety Management Audit Report for Westcoast Energy Inc.

2. Tidal Resources Inc. - Pipeline Construction - West Hamburg Pipeline

On 25 July 1996, the Board approved an application dated 8 March 1996 from Tidal to construct a gathering system in British Columbia and a 12.4 kilometres of pipeline in British Columbia. The gathering system will move gas from Tidal's gas field in the Chinchaga area of British Columbia to the existing Shell Canada Limited Hamburg Gas Plant in Alberta. The estimated cost of the project is \$2 884 000. (Refer to item 7 under *Appeals, Referral and Review* on page 12.)

3. Section 58 Applications

The Board has approved or is considering several applications under section 58 of the NEB Act involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. These matters may be considered by the Board without a public hearing.

Gas Pipelines

Blue Range Resource Corporation
Application dated 23 August 1996
Application: Construct pipelines from existing gas wells located in the Boundary Lake area of British Columbia to Blue Range's existing Clear Hills gas gathering system in Alberta.
Estimated Cost: \$1 046 755

Status: On 18 September 1996, the Board sent a letter to Blue Range requesting additional information.

Canadian-Montana Pipe Line Company Limited
Application dated 8 July 1996
Application: Add a cold tap into the Aden 406.4 pipeline.
Estimated Cost: \$2 500
Approved on 22 August 1996
Order Number: XG-C9-36-96

Consumers' Gas (Canada) Ltd.
Application dated 13 June 1996
Application: Repair work on the pipeline at Cadetta Road, Brampton, Ontario.
Estimated Cost: \$15 000
Approved on 2 August 1996
Order Number: XO-W2-24-96

Consumers' Gas (Canada) Ltd.
Application dated 22 July 1996
Application: Instal a sales tap on the pipeline at Dixie Road, Brampton, Ontario.
Estimated Cost: \$5 000
Approved on 4 September 1996
Order Number: XG-C283-35-96

Tidal Resources Inc.
Application dated 8 March 1996
Application: Construct a gathering system in British Columbia.
Estimated Cost: \$2 884 000
Approved on 25 July 1996
Order Number: XG-T81-30-96

TransCanada PipeLines Limited
Application dated 20 March 1996
Application: Relocation of a 6.3 megawatt compressor unit from Station 1401 to Station 1301.
Estimated Cost: \$11 606 000
Approved on 31 July 1996
Order Number: XG-T1-16-96

TransCanada PipeLines Limited
Application dated 14 May 1996
Application: Risk-reduction pipe replacements for 1996, upgrades to oil and fuel storage tanks at several compressor stations and the addition of a tank at Station 110.
Estimated Cost: \$36 000 000
Approved on 8 August 1996
Order Number: XG-T1-28-96

TransCanada PipeLines Limited
Application dated 12 July 1996
Application: Upgrade two meter stations and construct five new delivery points.
Estimated Cost: \$1 163 000
Approved on 16 August 1996
Order Number: XG-T1-38-96

TransCanada PipeLines Limited
Application dated 21 August 1996
Application: Pipe lowering and replacement at drain crossings.
Estimated Cost: \$293 000
Approved on 30 August 1996
Order Number: XG-T1-43-96

Westcoast Energy Inc.
Application dated 13 March 1996
Application: Modifications and subsequent reactivation of the Gundy Creek Pipeline located northwest of Fort St. John, British Columbia.
Estimated Cost: \$155 000
Status: On 19 April 1996, the Board sent a letter to Westcoast requesting additional information.

Westcoast Energy Inc.
Application dated 24 May 1996
Application: Install a meter station bypass at Cecil Lake and add a propane fuelled generator set at the Bubbles Station.
Estimated Cost: \$64 000
Approved on 29 August 1996
Order Number: XG-W5-31-96

Westcoast Energy Inc.
Application dated 19 July 1996
Application: Install differential pressure transmitters on reboilers at the Pine River Gas Plant.
Estimated Cost: \$12 000
Approved on 15 August 1996
Order Number: XG-W5-33-96

Westcoast Energy Inc.
Application dated 3 July 1996
Application: Replace the Kobes Creek Booster Station Fuel Plant.
Estimated Cost: \$1 560 000
Approved on 14 August 1996
Order Number: XG-W5-34-96

Westcoast Energy Inc.
Application dated 8 August 1996
Application: Install noise attenuation equipment at the Rigel Booster Station.
Estimated Cost: \$374 000
Approved on 30 August 1996
Order Number: XG-W5-39-96

Westcoast Energy Inc.

Application dated 9 August 1996

Application: Replace approximately 110 metres of pipeline at Juliet Creek on the Southern Mainline and upgrade the industrial effluent at Station 5.

Estimated Cost: \$613 000

Approved on 20 August 1996

Order Number: XG-W5-40-96

Westcoast Energy Inc.

Application dated 6 August 1996

Application: Construct a meter station at Westcoast Gas Services Inc.'s new Jedney Gas Plant.

Estimated Cost: \$980 000

Approved on 21 August 1996

Order Number: XG-W5-41-96

Westcoast Energy Inc.

Application dated 4 July 1996

Application: Remove 40 metres of the 27.6-kilometre long Murray River gas transmission pipeline and construct two 10-metre long side bends

Estimated Cost: All costs will be paid by Sceptre Resources Limited.

Status: On 9 August 1996, the Board sent a letter to Westcoast requesting additional information.

Oil Pipelines

Amoco Canada Petroleum Ltd.

Application dated 10 May 1996

Application: Installation of additional facilities to the existing intermediate pump station for the Laporte Pump Station in Saskatchewan.

Estimated Cost: \$174 635

Approved on 19 July 1996

Order Number: XO-D10-29-96

Amoco Canada Petroleum Company Ltd.

Application dated 15 April 1996

Application: Recondition its 11.8-kilometre long condensate pipeline between Sarnia, Ontario and Marysville, Michigan.

Estimated Cost: \$519 000

Status: On 19 August 1996, the Board sent a letter to Amoco requesting additional information.

Interprovincial Pipe Line Inc.

Application dated 23 April 1996

Application: Construct new facilities at the Hardisty Terminal to allow crude oil deliveries from Lines 2 and 3 to the proposed Express Pipeline.

Estimated Cost: \$9 646 000

Approved on 15 July 1996

Order Number: XO-J1-16-96

Interprovincial Pipe Line Inc.

Application dated 6 June 1996

Application: Construct piping facilities to segregate Wabasca

Stream on Rainbow Pipeline to segregated tankage at the Edmonton Terminal facility.

Estimated Cost: \$87 900

Approved on 30 July 1996

Order Number: XO-J1-23-96

Interprovincial Pipe Line Inc.

Application dated 24 July 1996

Application: Construct new Variable Frequency Drive facilities at the Cromer Station.

Estimated Cost: \$728 000

Approved on 16 August 1996

Order Number: XO-J1-27-96

Interprovincial Pipe Line Inc.

Application dated 6 September 1996

Application: Construction piping and associated facilities at the Edmonton Terminal to allow Rainbow Pipe Line to connect its pressure relief line to Interprovincial's pressure relief system.

Estimated Cost: \$94 300

Approved on 6 September 1996

Order Number: XO-J1-28-96

Trans Mountain Pipe Line Company Ltd.

Application dated 8 April 1996

Application: Expansion of a groundwater treatment system at the Sumas Station.

Estimated Cost: \$475 000

Status: On 3 May 1996, the Board sent a letter to Trans Mountain requesting additional information.

Trans Mountain Pipe Line Company Ltd.

Application dated 12 July 1996

Application: Repair damage to its right-of-way sustained during flooding of the Coldwater and Coquihalla Rivers.

Estimated Cost: \$2 700 000

Approved on 24 July 1996

Order Number: XO-T4-22-96

Westspur Pipe Line Company Inc.

Application dated 18 July 1996

Application: New electrical transformer and new power line tower within the Steelman Terminal.

Estimated Cost: \$209 700

Approved on 15 August 1996

Order Number: XO-W2-26-96

Westspur Pipe Line Company Inc.

Application dated 18 April 1996

Application: Various projects.

Estimated Cost: \$1 519 000

Approved on 3 July 1996

Order Number: XO-W2-21-96

Commodities Pipeline

Penn West Petroleum Ltd.

Application dated 25 July 1996

Application: Construction of a fibreglass pipeline to transport produced salt water for Penn West's existing injection pump in Alberta to an injection well in Saskatchewan.

Estimated Cost: \$97 400

Approved on 21 August 1996

Order Number: XC-P166-1-96

Matters Under Consideration

4. *Foothills Pipe Lines Ltd. - Decompression/Recompression Expansion at Empress*

On 19 July 1996, Foothills filed companion submissions with the Board and the Northern Pipeline Agency in relation to its proposed 1998 East Leg Expansion Project. This expansion would provide about 19.55 million cubic metres (690 million cubic feet) per day of incremental export capacity at the international border in southern Saskatchewan commencing 1 November 1998. The estimated capital cost of the project is \$159 million.

The Board filing consists of an application pursuant to section 58 of the National Energy Board Act for an \$18 million expansion of the decompression/recompression facility at Empress, Alberta. The Northern Pipeline Agency filing consists of an addendum to Foothills' System Design Report for the Canadian portion of the Alaska Natural Gas Transportation System project (already certificated through the Northern Pipeline Act) and relates to the construction of Prebuild expansion facilities downstream of Empress (estimated cost \$141 million)

On 17 September 1996, the Board sent a letter to Foothills requesting further information on the decompression/recompression facilities expansion proposal.

5. *Interenergy Sheffield Processing Company (Canada) Ltd. - Pipeline Construction*

On 31 July 1996, Interenergy applied for approval to construct a 9-kilometre long pipeline from south Saskatchewan crossing the border near North Portal Saskatchewan to North Dakota. The pipeline will be used to deliver low pressure associated sour gas to Lignite gas gathering system located in North Dakota. The estimated cost of the project is \$959 000.

On 11 and 13 September 1996, the Board sent letters to Interenergy requesting additional information.

6. *Morgan Hydrocarbons Inc. - Application for Stay - Manito Pipelines Ltd. - MO-5-96*

(Refer to item 3 under *Recent Hearing Decisions* on page 2 and item 9 under *Appeals, Referral and Review* on page 12.)

On 3 September 1996, Morgan requested that the Board stay its Order MO-5-96 issued on 1 August 1996 in relation to Manito's facilities abandonment application. Morgan requested the stay of the order pending the outcome of its Leave to Appeal Application with the Federal Court of Appeal and any subsequent appeal.

On 19 September 1996, the Board decided to grant an interim stay of the order pending the receipt of further submissions from interested parties.

Traffic and Toll Matters

Matters Completed

1. *Audit Reports*

On 25 July 1996, the Board approved an Audit Report for Alberta Natural Gas Company Ltd.

2. *Interprovincial Pipe Line Inc. - Line 8 Traffic, Tolls and Tariff Matters*

On 29 August 1996, the Board approved an application dated 11 July 1996 from Interprovincial regarding traffic, tolls and tariff matters for certain of its Line 8 facilities. The application was filed as a negotiated settlement.

The Board sought the views of interested parties on this matter.

3. *Interprovincial Pipe Line Inc. - Tolls Surcharge*

On 11 July 1996, the Board approved an application dated 3 July 1996 from Interprovincial for approval of a toll surcharge respecting the recovery of net costs resulting from the proposed movement of Caroline Condensate from Line 3 into Line 2 and the increased use of drag reducing agent and power on Interprovincial and Lakehead Pipe Line Company, Limited Partnership.

4. *TransCanada PipeLines Limited - Interim Report of the 1997 Tolls Task Force*

On 30 May, 26 June, 9 August and 9 September 1996, TransCanada applied for approval of several Resolutions as contained in the Interim Reports of the 1997 Tolls Task Force.

The Board approved the following:

Resolution Nos.	Date approved
97-1, 97-2, 97-4 and 97-6 to 97-11	4 July 1996
97-3 and 97-5	23 July 1996
97-12 to 97-16	25 July 1996
97-17 to 97-20	5 September 1996
97-21 and 97-22	26 September 1996

5. TransCanada PipeLines Limited - OJ Pipelines - 1991 North Bay Environmental Litigation

On 5 September 1996, the Board denied an application dated 19 June 1996 from TransCanada for approval to pay OJ Pipelines' legal and other associated trial costs concerning the environmental-related charges brought against OJ Pipelines as a result of its work on the 1991 North Bay Loop Pipeline Project. TransCanada had also requested to include this amount in its own Rate Base for recovery through future tolls.

The Board dealt with this matter by way of a written proceeding.

6. TransCanada PipeLines Limited - Great Lakes Gas Transmission Limited Partnership - Refund

Reasons for Decision dated September 1996; issued on 19 September 1996.

The Board decided on the method to be used by TransCanada to repay a refund that it will be receiving from Great Lakes for excess amounts paid by TransCanada to Great Lakes for service on its system during the period 1 November 1991 to 30 September 1995.

The Board approved TransCanada's proposal to pay out the Great Lakes' refund to current firm shippers on TransCanada's system on a prospective basis by crediting these shippers' monthly invoices for service as soon as possible following TransCanada's receipt of funds. The Board also directed that the refund be allocated among current firm shippers on a fixed volume distance basis. For the purposes of the Great Lakes' refund, the definition of current firm shippers is to include Firm Transportation, Storage Transportation Service and Firm Service Tendered shippers.

TransCanada stated that the net refund it expected to receive would be approximately \$38 million (U.S.) and that it expected to receive the refund over a period of approximately three years commencing in 1996.

This matter refers to a Great Lakes' refund of amounts paid by TransCanada in respect of rates calculated on an incremental basis for service on the Great Lakes' system during the period from 1 November 1991 to 30 September 1995. These incremental rates were charged by Great Lakes pursuant to a then subsisting U.S. Federal Energy Regulatory Commission (FERC) Order, and were borne by TransCanada's shippers through the payment of tolls for service on TransCanada's system. The FERC has now determined that the payment of these incremental rates was unjust and unreasonable, and has approved a methodology whereby the overpayment during the time period in question will be returned to Great Lakes' incremental ratepayers.

The Board considered the application by way of a written procedure.

7. Trans-Northern Pipelines Inc. - Incentive Toll Settlement

Reasons for Decision dated June 1996; issued on 3 July 1996.

The Board approved a negotiated settlement regarding an incentive toll methodology for Trans-Northern.

Trans-Northern filed an application on 22 April 1996 for approval of an incentive toll settlement it reached with its shippers and for associated orders. The agreed-upon methodology forms the basis for the calculation of Trans-Northern's revenue requirement for the years 1996 onward. Trans-Northern and its shippers will share the benefits associated with greater use of pipeline capacity and improved cost efficiency.

The Board considered the application by way of a written procedure.

Matters Under Consideration

8. Government of the Northwest Territories (GNWT) - Complaint and Notice of Motion - Tolls and Tariffs of Interprovincial Pipe Line (NW) Ltd. IPL(NW) - Norman Wells Pipeline

On 31 October and 7 November 1995, the GNWT filed a Complaint and a Notice of Motion, respectively, regarding the tolls and tariffs on the Norman Wells Pipeline. The Complaint identifies specific areas where the GNWT believes the current method of calculating the tolls and tariff for IPL(NW) is incompatible with the manner in which the tolls and tariffs of other pipelines regulated by the Board are determined. The Notice of Motion seeks an order from the Board determining, as a preliminary matter, that the tolls of IPL(NW) be derived based on the same principles as those applied to other Group 1 companies.

The Board determined that preliminary comments on the threshold question of whether it remains appropriate to regulate IPL(NW) based on the 1 January 1980 Norman Wells Pipeline Agreement, as amended, should be obtained from IPL(NW), its shippers and interested parties.

On 9 February 1996, IPL(NW) requested a delay of the Board's release of a decision on the threshold question to allow additional time for IPL(NW) and Imperial Oil Limited to conclude negotiations for potential changes to the Norman Wells Pipeline Agreement. The Board accepted IPL(NW)'s request for a delay.

On 8 March 1996, IPL(NW) filed a Summary of Agreement in Principle indicating a proposed amendment to the Norman Wells Pipeline Agreement which was negotiated with Imperial Oil Limited. Parties provided comments by 15 March 1996 with the GNWT suggesting that IPL(NW) initiate a settlement conference to explain the proposal more fully.

A settlement conference was held on 2 May 1996. At that time, parties determined that a second conference was required and would be held on 31 May 1996.

On 18 June 1996, the GNWT indicated that if parties did not respond by 1 July 1996 to the concerns it raised at the 31 May 1996 conference, that the GNWT would ask the Board to renew its consideration of the threshold motion and proceed with the GNWT's complaint. On 28 June 1996, the GNWT requested that the Board hold in abeyance its consideration of the complaint, as efforts were being made to address the concerns of the GNWT which were left outstanding at the 31 May 1996 conference. On 10 July 1996, the Board referred parties to its 12 April 1996 letter wherein the Board agreed to an adjournment of any further action on GNWT's Complaint and Notice of Motion until further notice in order to facilitate a negotiated settlement between all interested parties.

9. *Morgan Hydrocarbons Inc. - Complaint Re: Murphy Oil Company Ltd. and Manito Pipelines Ltd.*

In December 1995, Morgan filed an application requesting that the Board assert jurisdiction over certain facilities owned by Murphy and seeking the establishment of fair, equitable and non-discriminatory terms for access to such facilities and just and reasonable tolls for their use. The application also constituted a complaint in respect of the tolls presently charged on the Manito system. In its application, among other things, Morgan asked the Board to:

- (a) assert jurisdiction over certain Murphy facilities;
- (b) set new tolls for Manito;
- (c) institute an investigation into the present restrictions on access to the facilities of Manito and Murphy;
- (d) direct Murphy to separate its transportation and merchant functions; and
- (e) regulate the Manito/Murphy companies as a Group 1 pipeline.

In January, the Board made Manito's tolls interim pending the Board's investigation into these matters.

In January 1996, Manito applied for approval to abandon approximately 22 kilometres (13 miles) of pipeline on its system from Blackfoot, Alberta to Dulwich, Saskatchewan (refer to item 3 under *Recent Hearing Decisions* on page 2).

10. *Westcoast Energy Inc. - Fort St. John Expansion and Grizzly Valley Expansion Projects Costs*

On 15 and 31 July 1996, Westcoast applied for orders authorizing it to recover approximately \$62.4 million in costs that the Company incurred over the years 1994 to 1996 in connection with the Fort St. John and Grizzly Valley Expansion Projects. Westcoast is proposing to amortise the costs to cost

of service over a ten year period commencing on 1 January 1997. On 4 April and 31 July 1996, Westcoast advised the Board that it would not proceed with construction of the Fort St. John Expansion and the Grizzly Valley Expansion Projects, respectively.

On 19 September 1996, the Board decided that it would consider both applications in conjunction with the forthcoming toll proceeding for Westcoast.

Safety Matter

1. *Interprovincial Pipe Line Inc. - Operating Pressure*

On 14 March 1996, the Board directed Interprovincial to reduce the operating pressure and pressure test certain portions of its pipeline system and to submit to the Board the results of the pressure testing program.

On 27 February 1996, a rupture occurred on Interprovincial's crude oil pipeline near Glenavon, Saskatchewan. This was the third line break on this pipeline near Glenavon in the past nine months, and the fourth since 1989. Corrosion has been identified as a factor in all four breaks.

To address safety and environmental concerns, the Board, after receiving submissions from Interprovincial, directed Interprovincial to:

- reduce the maximum operating pressure of Line 3 between Odessa Station in Saskatchewan and Cromer Station in Manitoba to 80% of the authorized maximum operating pressure;
- reduce the maximum operating pressure of Line 3 between Cromer Station and Souris Station in Manitoba to 95% of the authorized maximum operating pressure;
- pressure test Line 3 between Odessa Station and Cromer Station in 1996 and file with the Board the results of the pressure testing program;
- submit a pipeline integrity evaluation that demonstrates to the Board that Line 3 will be safe to operate; and,
- file with the Board, by 29 March 1996, a plan and proposed timetable for implementing these directives.

The Board will consider removing the maximum operating pressure restrictions when it has received successful pressure test results and is satisfied that the pipeline is safe to operate at higher pressures.

On 23 September 1996, Interprovincial successfully completed its pressure test of Line 3 between Odessa Station and Cromer Station. No ruptures or leaks occurred during the pressure test. Interprovincial is expected to file the results of the pressure test with the Board in early October 1996.

Frontier Matters

(a) Approval was given to Imperial Oil Resources for the following work at Norman Wells:

(i) "Authority to Drill a Well" pursuant to section 83 of the *Canada Oil and Gas Drilling Regulations* were given for:

Imp Norman Wells L-52X on 3 July, 1996; and
Imp Norman Wells J-52X on 3 July, 1996;

(ii) a waiver from obtaining sonic and resistivity data in the interval 1744 to 1972 for the well Imp Norman Wells J-52X pursuant to section 11 of the *Canada Oil and Gas Drilling Regulations* on 16 September 1996;

(iii) a waiver from obtaining sonic and resistivity data in the well Imp Norman Wells L-52X pursuant to section 11 of the *Canada Oil and Gas Drilling Regulations* on 14 August 1996;

(iv) for abandonment and restoration plan for Battery 3 pursuant to section 59 of the *Canada Oil and Gas Production and Conservation Regulations* on 4 July 1996;

(v) to substitute piping requirements for the fresh water injection pipeline pursuant to section 16 of the *Canada Oil and Gas Operations Act* on 2 July 1996;

(vi) to carry out a production test pursuant to subsection 14(2) of the *Canada Oil and Gas Production and Conservation Regulations* for the wells:

Imp Norman Wells H-52X on 28 July 1996; and
Imp Norman Wells F-52X on 28 July 1996

(vii) to install injection facilities at the F-31X wellsite and a one time approval for the injection of tank bottoms pursuant to subsection 58(6) of the *Canada Oil and Gas Production and Conservation Regulations* on 30 July 1996.

(b) Approval was given to Panarctic Oils Ltd. for the decommissioning of a production installation pursuant to paragraph 5(1)(b) of the *Canada Oil and Gas Operations Act* on 22 July 1996.

(c) Approval was given to Amoco Petroleum Company Ltd. to relocate a compressor from the A3 wellsite to the Amoco Pointed Mountain Gas Plant pursuant to section 35 of the *Canada Oil and Gas Production and Conservation Regulations* on 22 August 1996.

(d) Approval was given to Amoco Petroleum Company Ltd. to repair the Pointed Mountain A1/A3 pipeline pursuant to section 73(a) of the *Canada Oil and Gas Production and Conservation Regulations* on 28 August 1996.

(e) Approval was given to Panarctic Oils Ltd. for two "Applications to Alter Condition of a Well" pursuant to Part VIII of the *Canada Oil and Gas Drilling Regulations* on 9 September 1996:

Panarctic et al W. Bent Horn A-02; and
Panarctic et al W. Bent Horn I-01A.

(f) Two applications and one amendment for geological or geophysical operation authorization were submitted. Nine applications (including seven submitted in the previous quarter) were approved pursuant to section 5 of the *Canada Oil and Gas Operations Act* as follows:

Company	Area	Approval Date
Terra Surveys	Southern NWT (Two operations)	29 August 1996
Questor Surveys	Southern NWT	29 August 1996
Shell Canada	Southern NWT (Two Data Purchases)	01 August 1996
Husky Oil	Southern NWT (Two Operations)	01 August 1996 09 August 1996
Norcen Energy	Southern NWT (Two Operations)	08 July 1996 01 August 1996

Appeals, Referral and Review

Appeals Completed

1. Alberta Wilderness Association (AWA), Federation of Alberta Naturalists (FAN) and Rocky Mountain Ecosystem Coalition (RMEC) - Express Pipeline Project

On 24 July 1996, the Federal Court Trial Division upheld the Joint Panel's report regarding the Express Pipeline Project and dismissed the appeals and the applications for judicial review by the above-mentioned parties.

2. Manitoba Hydro - Application for Leave to Appeal the Board's Amending Order AO-2-EC-III-16

Manitoba Hydro discontinued the above-noted Leave to Appeal application.

On 30 December 1992, Manitoba Hydro had filed an application in the Federal Court of Appeal for leave to appeal the Board's Amending Order No. AO-2-EC-III-16 issued 31 August 1992 regarding alterations to the Dorsey Substation. Manitoba Hydro sought the appeal on the basis that the Board erred in law and jurisdiction in issuing the Order subject to certain conditions.

3. Westcoast Energy Inc. - Pesh Creek Pipeline

On 29 July 1996, the Federal Court of Appeal dismissed Westcoast's application for leave to appeal the Board's decision regarding Novagas Clearinghouse Pipelines Ltd.'s Pesh Creek Pipeline.

On 22 January 1996, Westcoast applied for leave to appeal the Board's decision of 21 February 1996 approving an application from Novagas to construct and operate a 16.5-kilometre long natural gas pipeline across the British Columbia/Alberta border.

4. West Moberly First Nations - Westcoast Energy Inc. - Southern and Fort Nelson Mainline Looping - GH-2-95

On 6 June 1996, the Supreme Court of Canada dismissed West Moberly's application for leave to appeal the Board's decision in GH-2-95. In its GH-2-95 Decision, the Board approved expansions of Westcoast's Southern Mainline and Fort Nelson Mainline.

Appeals Pending

5. Attorney General of the Province of Alberta - Pesh Creek Pipeline - OH-1-96

On 11 July 1996, the Province of Alberta filed an Originating Notice of Motion with the Federal Court of Appeal for an order dismissing, or otherwise declining to entertain, the Board's reference to the Court of the jurisdiction question

regarding the Pesh Creek Pipeline. In the alternative, the Province requested that the Court quash the reference. (Refer to item 1 under Referral below.)

6. BC Gas Utility Ltd. - Westcoast Energy Inc. - Grizzly Valley Application

On 3 April 1996, BC Gas applied to the Supreme Court of Canada for leave to appeal the Federal Court's decision of 9 February 1996 in which it decided that the Pine River Plant and Grizzly Valley Raw Gas Transmission System in north-eastern British Columbia were under the Board's jurisdiction. Leave to appeal was granted by the Supreme Court of Canada on 30 October 1996.

7. Canadian Hunter Exploration Ltd. - Tidal Resources Inc.

On 22 August 1996, Canadian Hunter filed with the Federal Court of Appeal an application for leave to appeal the Board's decision of 25 July 1996 in which it decided, as a result of the approval of Tidal Resources' application to construct a pipeline, that it had jurisdiction over certain upstream gathering facilities located within the province of British Columbia which are owned and operated by Canadian Hunter. Canadian Hunter requested that the application for leave to appeal be held in abeyance until it has had the opportunity to assess and possibly proceed with an application to the Board to deal with Canadian Hunter's concerns.

8. Hydro-Québec - Access to Export Contract

On 23 September 1996, Hydro-Québec filed a Notice of Motion with the Federal Court, Trial Division to review the Board's decision of 4 September 1996, pursuant to section 44(1) of the Access to Information Act, in which the Board decided that a copy of a firm diversity contract between Hydro-Québec and Consolidated Edison would be made available to Mouvement Au Courant as requested. The Board stated that it would make the contract available 30 days following 4 September 1996 to afford time for Hydro-Québec to consider further proceedings in relation to this matter, should it wish to do so.

9. Morgan Hydrocarbons Inc. - Manito Pipelines Ltd. - Abandonment of Pipeline

On 3 September 1996, Morgan filed with the Federal Court of Appeal an application for leave to appeal the Board's decision to approve the abandonment of a portion of Manito's pipeline. The Board held that upon abandonment, it will cease to have jurisdiction over both the abandoned line and the remaining portion of the Manito pipeline. An application to stay the Board's order was also filed with the Court.

10. Richard Leroux and 417 Auto Wreckers Limited - TransCanada PipeLines Limited

On 6 May 1996, the Federal Court of Appeal quashed an application by Richard Leroux and 417 Auto Wreckers in which it sought an order for judicial review the Board's decision of 22 December 1995. However, the Federal Court of Appeal granted the application for leave to appeal the same decision. In its decision, the Board found the aggregate application of Richard Leroux did not fall within section 81 of the NEB Act as it did not meet the requirement of "mines or minerals".

11. Richard Leroux and 417 Auto Wreckers Limited - TransCanada PipeLines Limited

On 19 June 1996, Richard Leroux and 417 Auto Wreckers Limited filed a notice of appeal with the Federal Court to appeal the Court's decision to quash the application for judicial review (refer to item 3 above).

Referral

1. Novagas Clearinghouse Pipeline Ltd. - Pesh Creek Pipeline - OH-1-96

In January 1996 the Board approved an application from Novagas to construct and operate a 16.5-kilometre long natural gas pipeline which will transport natural gas from a proposed separation, compression and metering facility in northeastern British Columbia to a proposed metering facility in northwestern Alberta.

On 14 June 1996, the Board referred to the Federal Court of Appeal a jurisdictional question over certain upstream and

downstream facilities connecting to the applied-for Novagas facilities. (Refer to 6 under Appeals above.)

Reviews

1. Westcoast Energy Inc. - Accident Investigation Letter Order

On 11 July 1996, the Board on its own motion decided to stay the effect of a letter order it had issued on 5 June 1996, pending its review of the letter order. The letter order had been issued as a result of an accident investigation conducted by Board staff on certain Westcoast facilities. Subsequent to issuing that order, the Board learned of the decision of the Federal Court of Canada in the case of *Westcoast Energy Inc. v. Serge Cadieux, Brent Storey, Westcoast Energy Inc. Occupational Safety and Health Committee and Canadian Pipeline Employees' Association*, which decision has raised a doubt concerning the correctness of the Board's letter order.

2. Canadian Association of Petroleum Producers - Manito Pipelines Ltd. - MH-1-96

On 17 September 1996, CAPP withdrew its review application dated 13 September 1996.

CAPP had filed an application with the Board to review its decision of 1 August 1996 approving Manito's application to abandon a pipeline. CAPP was seeking a review and variance only of that part of the Decision in which the Board decided that the coming into effect of an abandonment order terminated all jurisdiction of the Board over the abandoned line.

Amendments to Regulations

Amendments to the Board's regulations completed or in various stages of preparation, include the following:

1. Onshore Pipeline Regulations

On 12 July 1996, the Board advised interested parties that it would forward a new draft consolidation of the *Onshore Pipeline Regulations* to the Department of Justice for legal review.

The Regulations specify the requirements for the protection of property and the environment and safety of the public and company employees in the design, construction, operation, maintenance and abandonment of an onshore pipeline. The current regulations have been in effect since June, 1989.

2. Offshore Pipeline Regulations

The *Offshore Pipeline Regulations* will specify the requirements for the protection of property and the environment and the safety of the public and the company's employees in

the design, construction, operation and abandonment of an offshore pipelines.

The Regulations are at the drafting stage.

3. National Energy Board Electricity Regulations

On 8 June 1996, the *National Energy Board Electricity Regulations* were published in the *Canada Gazette Part I*.

The draft regulations set out, among other things, information requirements for applications in respect of electricity exports and international power line facilities, and the terms and conditions of export and facilities permits.

4. Regulations Pertaining to Frontier Oil and Gas Activities

The process of creating and amending regulations pertaining to frontier oil and gas activities, under the provisions of the *Canada Oil and Gas Operations Act*, proclaimed in force in

September 1992, is continuing. At present, the regulatory agenda is as follows:

Regulations being drafted

Canada Oil and Gas Occupational Safety and Health Regulations - Amendments

Canada Offshore Oil and Gas Drilling Regulations - Re-structuring

Canada Oil and Gas Production and Conservation Regulations - Amendment

Nova Scotia Offshore Spills and Debris Regulations

Newfoundland Offshore Area Petroleum Occupational Safety and Health Regulations

Nova Scotia Offshore Area Petroleum Occupational Safety and Health Regulations

Physical Environmental Guidelines for Drilling Programs on Frontier Lands

Pursuant to an administrative arrangement between the Board and Natural Resources Canada, the Board is also working with the provinces of Newfoundland and Nova Scotia in drafting federal and provincial versions of the preceding regulations which pertain to the offshore areas under joint resource management accords.

5. Offshore Waste Treatment Guidelines, 1996

The Board has issued a final version of the above Guidelines. The Guidelines outline recommended practices and standards for the treatment and disposal of wastes from petroleum drilling and production operations in Canada's offshore areas. The Guidelines will be applied by the Board, the Canada-Newfoundland Offshore Petroleum Board and the Canada-Nova Scotia Offshore Petroleum Board and their respective Chief Conservation Officers.

Other Matter

Intervenor Funding

On 9 August 1996, the Board issued a report on intervenor funding for persons participating in the Board's proceedings. The Board prepared the study in response to a request from the Minister of Natural Resources Canada in December 1995 wherein she requested that the Board examine possibilities for providing financial assistance to intervenors participating in the Board's proceedings, within the present legislative framework, especially where landowners' interest are directly affected.

In its report, the Board identified an option that could be implemented by Parliament and the Board. That option would consist of an intervenor funding program established

through spending authority enacted by Parliament. This would provide a funding mechanism and allow for specific intervenor funding decisions to be made by the Board. Monies disbursed through the program would be recovered through the Board's cost recovery mechanisms. The Board said in its report that, despite some administrative complexities, this is a workable flexible option for implementing intervenor funding in the absence of specific legislation. The Board also said in its report that a substantial degree of public and industry consultation will be necessary for the implementation phase of NEB intervenor funding.

The Board is seeking interested persons comments on the study by 15 October 1996.

Administrative Matters

Appointment

On 29 August 1996, **Dr. Robert Fournier** was appointed temporary member of the Board for the Joint Review of the Sable Offshore energy Project. **Dr. Fournier** is a Professor of Oceanography, Executive Director of Ocean Studies and Associate Vice-President (Research & International Relations) at Dalhousie University. He is a former member of the National Advisory Board on Science and Technology, the Science Council of Canada and he is the former Chair of the Nova Scotia Council of Applied Sciences and Technology. **Dr. Fournier** also chaired the Halifax Harbour Task Force and was a member of the Northern Cod Review Panel.

On 29 August 1996, **Mme Anita Côté-Verhaaf** was re-appointed Board Member for two years and three months. **Mme Côté-Verhaaf** has been a member of the Board since 1989.

Mr. Kenneth W. Vollman was appointed Administrator and Designated Officer of the Northern Pipeline Agency for a one year term effective 6 August 1996. This position is in addition to his responsibilities as member and Vice-Chairman of the Board.

Speeches

Presentation to the Hemispheric Energy Regulatory Conference by R. Priddle, Chairman, on 18 and 19 July 1996 in Mexico City (notes only)

Presentation to the Canadian Gas Association Administration Conference by R. Priddle, Chairman, on 23 September 1996 in Quebec City (overhead only)

Documents Issued - 1 July to 30 September 1996

Reasons for Decision

Trans-Northern Pipelines Inc. - Incentive Toll Settlement - Reasons for Decision dated June 1996; issued on 3 July 1996.

Interprovincial Pipe Line Inc. - System Expansion Phase II - OH-1-96 - Reasons for Decision dated July 1996; issued on 17 July 1996.

Westcoast Energy Inc. - Helmet/Peggo Facilities - MH-2-96 - Reasons for Decision dated July 1996; issued on 30 July 1996.

Manito Pipelines Ltd. - Abandonment of Facilities - MH-1-96 - Reasons for Decision dated July 1996; issued on 1 August 1996.

Yukon Pipelines Limited - Abandonment of Facilities - MH-3-96 - Reasons for Decision dated September 1996; issued on 9 September 1996.

TransCanada PipeLines Limited - Great Lakes Gas Transmission Limited Partnership - Refund - Reasons for Decision dated September 1996; issued on 19 September 1996.

Various Gas Export Applications - GHW-1-96 - Reasons for Decision dated September 1996; issued on 24 September 1996.

Reports

Intervenor Funding - Report dated March 1996; issued on 9 August 1996

Others

National Energy Board, An Introduction (revised)

Offshore Waste Treatment Guidelines, 1996 - September 1996

Instructions for Filing

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 311 - Sixth Avenue S.W., Calgary, Alberta, T2P 3H2; Telephone (403) 292-4800; Fax (403) 292-5503.

Appendix I lists the number of copies required for the different types of applications.

Telephone Numbers

A current list of Board Members and key staff telephone numbers is attached as Appendix II.

Electronic Bulletin Board

Bulletin Board System, (403) 299-2751

Bulletin Board System Helpline 9:30 to 10:30 a.m. (MT)
(403) 299-3919

The bulletin board is available around the clock, with the exception of specified hours for data loading or occasional system upgrades. Bulletin board users can obtain news releases, hearing orders, regulatory agendas, decision overviews, appendices to the Annual Report and selected oil and gas statistics in electronic format. All information will be posted in both official languages. A user guide with instructions is available for reference. Users should set their communications software to:

- 300, 1200, 2400, 9600, 14 400 or 16 800 baps;
- full duplex;
- no parity;
- eight data bits; and
- one stop bit.

Board Document System (BDS)

The Board has a BDS system available to the public, offering direct access to an electronic library of regulatory documents. Document contents may be searched on-line with full-text search capabilities. Presently, the system contains Reasons for Decision dating from 1985 and hearing transcripts from 1991. Other document types will be added gradually, as they become available in standardized electronic format. The BDS may be used from remote locations or at the Board's Calgary office. The only cost to users will be long-distance telephone charges, if any, to connect to the system.

All users are asked to register with the Board and sign a public access agreement. This agreement explains the responsibilities of the user and outlines relevant terms and conditions. Request for a user account may be made by mail, facsimile or telephone to our Regulatory Support Office (403) 292-4800. For more information, a brochure on the Board Document System is also available to interested parties.

Mailing Lists

If you are not already on the Board's mailing lists and wish to be added thereto, please write to the Secretary of the Board providing your mailing address and the type of material you would be interested in receiving. The following are the Board's current mailing lists:

- L1: Everything the Board issues
- L4. Oil and gas matters
- L5. Electrical matters
- L6: Annual Report only
- L7: News Releases only
- L8: Regulatory Agenda only
- L9: Environmental matters

J. S. Richardson
Secretary,
National Energy Board

For copies of documents contact:
For information contact:

Regulatory Support Office (403) 292-4800
Denis Tremblay (403) 299-2717

Appendix I

Number of Copies Required for Filings

Applicants are requested to provide the following number of copies of their applications or other filings to the National Energy Board. For matters not listed below, one copy is sufficient.

Type of Application or Filing	No. of Copies	Type of Application or Filing	No. of Copies
(a) Hearing Matters		(iii) Oil Exports	
(i) Certificates		Registered Oil Export Orders	05
Pipeline	25	(iv) Tolls	
Power Line	20	Class I and II Adjustments	20
(ii) Export Licence		Interim Orders	20
Natural Gas	25	Operating and Maintenance Budgets	20
Electricity	20	Changes in Depreciation Rates	20
(iii) Tolls	25	Quarterly Surveillance Reports	20
(iv) Land Acquisitions	20	New or Changed Tariffs	20
(b) Non-Hearing Matters		Domestic Gas Sales Contracts and Amendments	20
(i) Natural Gas		Amendments to Tariff Orders	20
Export Orders	20	(v) Pipelines and Power Lines	
Orders for Transmission Access	20	Permits	15
Licence Amendments	20	Exemption Orders Pipelines (Sec. 58)	20
Amendments to Export Contracts	20	Certificate Amendments	20
Licence Revocations	20	Leave to Sell or Transfer	20
(ii) Electricity Exports		Incident Reports	20
Permits	15	(vi) Other	
Licence or Permit Amendments	15	Application for Review	20
Licence or Permit Revocations	15		

The number of copies of interventions or submissions to be provided in response to applications will be specified in the applicable hearing order. Private individuals who would find the provision of multiple copies an undue financial burden may file one copy, with a request to be excused from multiple filing.

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 311 - Sixth Avenue S.W., Calgary, Alberta, T2P 3H2: Telephone (403) 292-4800; Fax (403) 292-5503.

Appendix II

Selected List of Telephone Numbers (Area Code 403)

General Information	292-4800
Incident Reporting Number	1-800-632-1663
	1-800-NEB-1-ONE
Bulletin Board System	299-2751
Bulletin Board System Helpline	
9:30 to 10:30 a.m. (MT)	299-3919

Board Members

Chairman	Roland Priddle	299-2724
Chairman's Assistant	Esther Binder	299-2725
Secretary	Carmen Morin	299-2726
Vice-Chairman	Kenneth Vollman	299-2730
Secretary	Lillian Handelman	299-2741
Member	Anita Côté-Verhaaf	299-2739
Secretary	Lillian Handelman	299-2741
Member	Roy Illing	299-2729
Secretary	Mona Butler	299-2728
Member	Robert Andrew	299-2736
Secretary	Mona Butler	299-2728
Member	Judith Snider	299-2737
Secretary	Lorraine Welsh	299-2734
Temporary Member ^(a)	Robert Fournier	(902)496-5112
	Secretariat/Joint Public	
	Review/Sable Gas Projects	

(a) Temporary members for the purpose of the review of the Sable Projects

Executive Director

Executive Director	Gaétan Caron	299-2700
Admin. Assistant	Jan Dane	299-2701

Office of the Secretary

Secretary	Scott Richardson	299-2711
Administrative and Regulatory Assistant		299-2712
A/Assistant Secretary, Regulatory	Michel Mantha	299-2714
A/Assistant Secretary, Communications	Karla Reesor	299-2713
Communications Officer	Denis Tremblay	299-2717
Communications Officer	Ross Hicks	299-3930
Communications Officer	Ruth Grenville	299-2719

Library, Information	299-3561
General Information and Board Distribution Centre	292-4800

Finance, Administration and Information Technology Branch

Director	Brenda Kenny	299-3565
Secretary	Lilly Armstrong	299-3692
Manager, User Services (Information Technology)	Ken Wing	299-3602
Project Manager, Electronic Regulatory Filing	Brenda Kenny	299-3565
A/Manager, Network Management	Neil Levette	299-3613

Personnel Branch

Director	Jim Thompson	299-3694
A/Secretary	Wendy Rogers	299-3695
Compensation and Staff Relations Manager	Joyce Morrison	299-3699
Staffing and Human Resources Manager	Christine Elder	299-3698

Economics Branch

Director	John Hayward	299-2757
A/Secretary	Colleen Holt	299-3629
Economics and Energy Analysis Division Manager	Bob Modray	299-3157
Regulatory Economics Division Manager	Glenn Booth	299-3621

Energy Commodities Branch

A/Director	Hans H. J. Pols	299-3195
Senior Secretary	Jan McClintock	299-3166
A/Administrative Coordinator	Janine Kessler	299-3185
Electric Power Manager	Ivan Harvie	299-3165
Gas Export Manager	Cliff Brown	299-3190
Gas Market Analysis and Export Surveillance Manager	Sandra McDonough	299-3186

Transportation and Oil Exports

A/Manager	Barry Lynch	299-3197
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Energy Resources Branch

Director	Graham Campbell	299-3102
Administrative		
Coordinator	Anne-Marie Howe	299-3517
Secretary	Pat Cormier	299-3103

Crude Oil, NGL and Coal Supply Division

A/Manager	Brian Bowers	299-3122
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Natural Gas Supply Division

Manager	Paul Bourgeois	299-3149
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Reservoir Engineering Division

Manager	Cliff Gemeroy	299-3138
---------	---------------	----------

Geology and Resource Assessment Division

A/Manager	Kevin Goble	299-3140
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Engineering Branch

Director	John McCarthy	299-2766
Administrative		
Coordinator	Cecilia Cupido	299-2752

Development Engineering and Group II Pipelines

Manager	Terry Baker	299-2792
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Safety Audit

Manager	Franci Jeglic	299-2774
---------	---------------	----------

Accident Investigation

Manager	Jake Abes	299-2777
---------	-----------	----------

Group I Pipelines

Manager	Paul Trudel	299-2768
---------	-------------	----------

Regulatory Development and Safety Studies

Manager	Robert Power	299-2769
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Environment Branch

Director	Ken Sato	299-3675
Administrative		
Coordinator	Paulette Richard	299-3680
Secretary	Geraldine Metcalfe	299-3676

Biological Sciences Division

Manager	Jim McComiskey	299-3677
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Physical Sciences Division

Manager	Oleh Mycyk	299-3678
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Operations Emergency Response and Financial Liability Division

Manager	Jim Anderson	299-3682
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Socio-Economics and Lands

Manager	John Stewart	292-5048
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Environmental Studies Research Funds

Manager	Oleh Mycyk	299-3678
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Financial Regulation Branch

Director	Terrance Rochefort	299-3646
Administrative		
Coordinator	Janet Soucy	299-3648

Westcoast Energy Inc., Interprovincial Pipe Line Inc., Trans Mountain Pipe Line Limited, Trans-Northern Pipelines Inc. and Cochin Pipe Lines Ltd.

Manager	Albert Fung	299-3662
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TransCanada PipeLines Limited, Gazoduc T.Q.M., Interprovincial Pipe Line (NW) Ltd., Alberta Natural Gas Company Ltd and Foothills Pipe Lines Ltd.

Manager	Steve Brown	299-3653
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Law Branch**A/General Counsel and Director**

Counsel	Judith Hanebury	292-6497
	Peter Noonan	299-3552
Secretary	Susan Gudgeon	299-2704

Counsel	Boris de Jonge	292-6495
Counsel	Christine Beauchemin	292-6489
Counsel	Erin Bourgeault	299-2708
Secretary	Caroline Healy	292-6540

Counsel	Margery Fowke	299-2708
Counsel	Claire McKinnon	299-2707
Counsel	Lori Ann Boychuk	299-2709
Secretary	Vacant	

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament. Over the course of its history, it has played an important role in the development of Canada's energy sector.

The Board's regulatory powers under the National Energy Board Act include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and designated interprovincial and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment, and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by the Ministry of Labour to administer Part II of the *Canada Labour Code*.

National Energy Board
311 Sixth Avenue S.W.
Calgary, Alberta
T2P 3H2

(403) 292-4800

Regulatory Agenda

period covered in this Regulatory Agenda is 1 October to 31 December 1996

Applications Considered by Public Hearing

Oral Hearings

Recent Hearing Decision

1. *TransCanada PipeLines Limited - 1997-1998 Facilities - GH-3-96*

Reasons for Decision dated November 1996; issued on 28 November 1996.

The Board approved an application dated 3 April 1996, as revised on 2 August 1996, by TransCanada to add 205.2 kilometres (127.5 miles) of pipeline looping, 13 compressor units, three aftercoolers, manifolding and compression-related items to its system in Saskatchewan, Manitoba and Ontario. These facilities will enable TransCanada to provide incremental natural gas services totalling approximately 8.1 million cubic metres (286.7 million cubic feet) per day for both domestic and export markets. The estimated capital cost of the new facilities is \$897.0 million. Construction is scheduled for 1997, with 138.0 kilometres (85.8 miles) of the pipeline looping proposed for a 1 April 1997 in-service date, and the remainder to be in service for 1 November 1997.

The Board also approved an application by Renaissance Energy Ltd. for the provision of and access to TransCanada's facilities for the transport of 0.145 million cubic metres (5.1 million cubic feet) per day of natural gas from Empress, Alberta to

Emerson, Manitoba commencing 1 September 1997.

The Board held a public hearing on the application from 7 to 10 October 1996 in Winnipeg, Manitoba.

Hearing Decisions Pending

1. *PanCanadian Petroleum Limited - Service on Interprovincial Pipe Line Inc. - MH-4-96*

The Board held a public hearing from 4 to 13 November 1996 in Calgary on an application by PanCanadian for an order which would require Interprovincial to receive, transport and deliver natural gas liquids for PanCanadian from Kerrobert, Saskatchewan.

PanCanadian stated that its new gas processing plant at Empress, Alberta will be placed in service in September, 1996. The Company will transport the natural gas liquids extracted from the Empress plant to Kerrobert, where it wants Interprovincial to accept delivery for transportation on its pipeline system.

2. *TransCanada Power Corporation - International Power Line - EH-1-96*

The Board held a public hearing on 9 and 10 December 1996 in Calgary on an application by TransCanada Power to construct an international power line.

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PREFACE

The purpose of this quarterly agenda is to provide information on the Board's activities.

Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the National Energy Board Act, R.S.C. 1985, c.N-7, as amended.

"Our purpose is to make decisions that are fair, objective and respected."



TransCanada Power proposes to construct a 69 kilovolt international power line originating in the United States and extending approximately 15 kilometres (9 miles) across the international boundary to a point near Wild Horse, Alberta. The proposed power line will extend northward for approximately 12.8 kilometres (8 miles) along the eastern edge of the easement of Alberta Highway No. 41 before turning westerly for approximately 1.6 kilometres (1 mile) along a new access road to the Wild Horse Station at the Express Pipeline Ltd.

The proposed facility will enable TransCanada Power to transmit power from the international border to service the electric motors and auxiliary facilities at the Express Pipeline Ltd.'s Wild Horse Pump Station. The estimated cost of the proposed power line is \$725 000.

Hearings Scheduled

1. Interprovincial Pipe Line Inc. - Reactivate Line 8 - OH-4-96

The Board will hold a public hearing commencing 27 January 1997 in London, Ontario on an application by Interprovincial to reactivate its Line 8 oil products pipeline in Ontario.

Interprovincial applied to reactivate approximately 210 kilometres (130 miles) of pipeline to carry oil products from Interprovincial's Sarnia Terminal to Millgrove Junction, north of Hamilton, Ontario. Line 8 is part of Interprovincial's older system operations and was in service until the fall of 1994. It was formally deactivated on 22 November 1995.

2. Novagas Clearinghouse Pipelines Ltd. - Pipeline Construction - OH-2-96

The Board will hold a public hearing commencing 10 February 1997 in Calgary on an application by Novagas to construct and operate a natural gas liquids pipeline from northeastern British Columbia to Alberta.

Novagas proposes to construct approximately 58 kilometres (35 miles) of natural gas liquids pipeline with associated pumping and metering facilities from the Solex Developments Company Inc. straddle plant at Taylor, British Columbia to a Novagas metering facility in Alberta. The proposed facilities will enable natural gas liquids including ethane, butane and condensate to be delivered to fractionation facilities in Alberta and subsequently delivered to markets.

The estimated cost of the project is \$8 million. The Company plans for construction to be carried out in two phases starting in June 1997, with an in-service date of 1 April 1998.

3. Federated Pipe Lines (Northern) Ltd. - Oil and Natural Gas Liquids Pipeline - OH-3-96

The Board will hold a public hearing commencing 24 February 1997 in Calgary on an application by Federated

to construct and operate an oil and natural gas liquids pipeline from Taylor, British Columbia to Belloy, Alberta.

Federated proposes to construct approximately 172 kilometres (106 miles) of pipeline which would transport crude oil, segregated condensate, ethane plus and propane plus from facilities at Taylor to an interconnection with a proposed pipeline at Belloy. The pipeline would have an initial delivery capacity of 8 250 cubic metres (52 000 barrels) per day.

The estimated cost of the pipeline is \$40.8 million and construction would be completed in the winter of 1997/1998.

4. Sable Gas Projects - GH-6-96

A public hearing has been scheduled to consider the Sable Gas Projects applications outlined below. The formal hearing will commence in Halifax, Nova Scotia on 7 April 1997 and will continue in Fredericton, New Brunswick on 28 April 1997. The hearing will then reconvene in Halifax on 26 May 1997. Informal hearings will be held in Moncton, New Brunswick on 4 April 1997 and in Antigonish, Nova Scotia on 5 April 1997.

The public hearing will be held to consider:

- a proposal by Mobil Oil Canada Properties, Shell Canada Limited and others to develop six offshore gas fields in the area of Sable Island. This proposal includes a pipeline to bring the gas to shore, a gas plant at Goldboro, N.S., a pipeline to ship natural gas liquids from the gas plant to Point Tupper, N.S. and storage facilities for the natural gas liquids at Point Tupper; and
- a proposal by Maritimes & Northeast Pipeline Management Ltd. to construct a pipeline to transport the gas from the gas plant through Nova Scotia and New Brunswick to the United States border near St. Stephen, N.B., where the pipeline will connect with a pipeline to be constructed in the United States that will transport the gas to markets the northeastern United States.

On 10 September 1996, a five person Panel was established to conduct the Joint Public Review of the Sable Gas Projects. The Panel was established pursuant to the Agreement for a Joint Public Review of the Sable Gas Projects. This Agreement was developed to avoid jurisdictional overlap and duplication and was announced by the signatories on 17 July 1996. The parties to the agreement are the federal ministers of Environment and Natural Resources, the Nova Scotia ministers of Environment and Natural Resources, the National Energy Board and the Canada Nova Scotia Offshore Petroleum Board.

The environmental and socio-economic effects of these projects will be considered by the Joint Public Review Panel consisting of five members. Three members of the Panel will

also consider certain aspects of these projects as members of the National Energy Board and one member of the Panel will consider certain aspects as a Commissioner for the Canada-Nova Scotia Offshore Petroleum Board.

Written Hearing

Hearing in Progress

1. Various Gas Exports - GHW-2-96

The Board is conducting a written hearing on five applications for seven licences to export some 9.5 billion cubic metres (335 billion cubic feet) of natural gas per day for periods ranging from 10 to 16 years.

The applications being considered are from the following companies:

- (a) Coastal Gas Marketing Company for export near Iroquois, Ontario to its Northeast United States market (three suppliers);
- (b) Enron Capital & Trade Resources Corporation for export near Niagara Falls, Ontario to its Northeast United States market (Poco Petroleum Limited supply);
- (c) PanEnergy Marketing Limited Partnership for export near Niagara Falls, Ontario to PanEnergy Trading and Market Services, LLC for resale to its Northeast United States market (Beau Canada Exploration Ltd. and Pinnacle Resources Ltd. supply);
- (d) ProGas Limited for three licences: one for export near Emerson, Manitoba to ProGas U.S.A. for resale to Great Plains Natural Gas Company, one for export near Emerson, Manitoba to ProGas U.S.A. for resale to the City of Perham, Minnesota, and one for export near Iroquois, Ontario to ProGas U.S.A. to serve its Northeast United States market (ProGas corporate supply); and
- (e) United States Gypsum Company for export near Emerson, Manitoba to Gypsum plants at Cloquet, Minnesota, Detroit, Michigan, Fort Dodge, Indiana and Sperry, Iowa (Renaissance Energy Ltd. supply).

Hearing Application Filed

1. Westcoast Energy Inc. - 1997 Tolls Application

On 6 November 1996, Westcoast applied for new tolls it may charge effective 1 January 1997. The Company also requested approval of new incentive-based methodology for fixing the revenue requirement of mainline natural gas transportation services for the period from 1997 to 2001. It has also indicated its intent to file another application for a new

incentive-based methodology for fixing gathering and processing tolls effective 1 January 1998.

Westcoast is requesting an overall toll increase of 25 percent over tolls charged in 1996.

On 23 December 1996, the Board approved interim tolls effective 1 January 1997 to yield an increase of ten percent for a typical service movement from Zone 1 to the export point of Zone 4. The Board also decided to hold a combined hearing in which the 6 November 1996 application for 1997 tolls and the forthcoming application for an incentive-based approach to determine gathering and processing tolls would be examined. The Board also announced that it intends to convene a pre-hearing conference as soon as possible after Westcoast's application concerning a new gathering and processing toll-setting methodology has been filed. The Board intends to issue a hearing order concerning both applications after the pre-hearing conference.

Hearing Application Suspended

1. Palliser Pipeline Inc. - Natural Gas Pipeline System

On 23 December 1996, the Board granted a request by Palliser to have consideration of its application suspended pending further notification by the company. The request was prompted by PanCanadian Petroleum Limited's decision to terminate its precedent agreement for transportation on the proposed Palliser Pipeline in light of a rate agreement entered into with NOVA Gas Transmission Ltd. PanCanadian is a half-owner of Palliser Pipeline Inc. and had accounted for in excess of one-half petajoule per day of Palliser's contracted capacity (the other half-owner of Palliser is Union Energy Inc., a subsidiary of Westcoast Energy Inc.).

On 15 November 1996, Palliser applied to construct and operate approximately 240 kilometres (149 miles) of natural gas pipeline. The company also planned to construct approximately 700 kilometres (434 miles) of lateral pipelines.

The proposed pipeline would transport natural gas from a number of established natural gas fields in southern Alberta and southwestern Saskatchewan to metering and compression facilities near the Alberta/Saskatchewan border. From there it would interconnect to existing or expanded facilities for transport to markets in the U.S. Midwest and Northeast as well as eastern Canada.

The pipeline was planned to have an initial delivery capacity of 24 million cubic metres (1.2 billion cubic feet) of natural gas per day, and had a proposed in-service date of 1 November 1998. The estimated cost of the facilities was \$365 million.

Public Inquiry

1. Stress Corrosion Cracking (SCC)

On 19 December 1996, the Board's Inquiry Panel into SCC released its report. The Panel's report to the Board contains 27 recommendations to promote public safety on the country's buried oil and gas pipelines. The Board has accepted the Inquiry Panel's conclusions and recommendations and will announce in the near future what steps it will take to implement them.

The conclusions and recommendations contained in the report are the result of a three-member panel's public inquiry which began in August 1995. The Board held the public hearing portion of the inquiry from 15 to 23 April 1996 in Calgary. The far-reaching inquiry went beyond the problem on Canada's pipelines to gain experience and expertise from

other countries. The Inquiry is the first comprehensive one in the world on SCC and the results, including valuable scientific and technical data that relate to the Canadian situation, could be of interest and use outside Canada.

Stress corrosion cracking has caused 22 failures including 12 ruptures on Canadian pipelines. Most of the SCC-related failures occurred since 1985 on pipelines that were coated with polyethylene tape and were installed between 1968 and 1973.

SCC involves a complex process which can result in the formation of cracks on the surface of a buried pipeline. In severe cases, the pipeline can fail if the cracking goes undetected for several years.

Other Applications

The Board had, or has, before it a number of applications and other matters that do not require public hearings. Since the 1 October 1996 issue of the Regulatory Agenda, the matters below have been or are being considered by the Board.

Natural Gas Matters

Matters Completed

1. *TransCanada Gas Services Limited - Transfer Natural Gas Export Licences GL-136, GL-137, GL-248 and GL-249*

On 11 October 1996, the Board approved an application dated 4 October 1996 from TransCanada Gas Services to transfer natural gas export Licences GL-136 and GL-137 from GasTrade Inc., ANG Resources Marketing Ltd. and 375660 Alberta Ltd. and Transco Energy Marketing Company (TEMCO) to TransCanada Gas Services, as agent for CanStates, and TEMCO. TransCanada Gas Services also applied to transfer natural gas export Licences GL-248 and GL-249 from CanStates to TransCanada Gas Services, as agent for CanStates.

2. *PanEnergy Marketing Limited Partnership - Amend Natural Gas Export Licences GL-145 and GL-147*

On 7 November 1996, the Board approved an application dated 29 July 1996, as amended, from PanEnergy to change the name on natural gas export Licences GL-145 and GL-147 from Mobil Oil Canada Ltd. to PanEnergy Marketing Canada Ltd. on behalf of PanEnergy Marketing Limited Partnership as holder of the licences.

3. *Westcoast Gas Services Inc. - Application for the Revocation of Gas Licence GL-162.*

On 1 November 1996, the Board approved an application dated 23 October 1996 from Westcoast to revoke natural gas export Licence GL-162 which authorized exports to Rochester Gas & Electric Corporation.

Electricity Matters

Matters Completed

1. *British Columbia Hydro and Power Authority - Export of Electricity*

On 25 October 1996, the Board approved an application dated 26 July 1996 from BC Hydro for an export permit allowing it to continue exporting, to Tongass Power and Light Company of Hyder, Alaska as a border accommodation (Export Permit EPE-49), not more than 3 000 kilowatt of firm power and up to 1 410 kilowatt hours, during the period 1 January 1997 to 31 December 2001, and 1 680 kilowatt hours, from the period 1 January 2002 to 30 September 2006, of firm energy.

2. *Fraser Paper Inc. (Canada) - Export of Electricity*

On 25 October 1996, the Board approved an application dated 27 June 1996 from Fraser for an export permit allowing it to continue exporting (Export Permit EPE-51), to Fraser Paper Inc. of Madawaska, Maine, 60 megawatts of firm power and up to 400 gigawatt hours of firm energy in any consecutive twelve-month period for the period 1 January 1997 to 31 December 1999.

3. Sonat Power Marketing Inc. and Sonat Power Marketing L.P. - Export of Electricity

On 1 November 1996, the Board approved an application dated 23 August 1996 from Sonat for permits to export up to 400 megawatts and up to 3 500 gigawatt hours of firm power and energy and up to 3 500 gigawatt hours of interruptible energy, annually, from 1 November 1996 to 31 October 2006. The maximum combined firm and interruptible energy to be exported will not exceed 3 500 gigawatt hours.

4. TransAlta Enterprises Corporation - Amend Electricity Export Permits EPE-73 and EPE-74

On 20 December 1996, the Board approved an application dated 20 June 1996 from TransAlta to amend Export Permits EPE-73 and EPE-74 to allow for export from anywhere in Canada over all international power lines, whereas the original application was for exports from Alberta over international power lines located in British Columbia.

The Board sought the views of interested parties on the application.

Pipeline Matters

Matters Completed

1. Safety Audit Reports

The Board has adopted Safety Audit Reports for the following companies:

Trans Mountain Pipe Line Company Ltd. -
1 November 1996
Pouce Coupe Pipe Line Ltd. - 22 November 1996
St. Clair Pipelines Limited - 22 November 1996
Union Gas Limited - 22 November 1996
Interprovincial Pipe Line Inc. - 25 November 1996
Dome NGL Pipe Line Ltd. - 26 November 1996
Dome NGL Pipeline Ltd. and Amoco Canada
Petroleum Company Ltd. - 26 November 1996
Ethane Shippers Joint Venture - 26 November 1996

2. Neutrino Resources Inc. and CML Resources Ltd. - Transfer of a Pipeline

On 1 October 1996, the Board approved applications dated 23 September 1996 from Neutrino, for leave to sell, and CML, for leave to purchase, a 200-metre long polyethylene fuel gas pipeline crossing the Alberta/Saskatchewan border in Township 40.

3. Northrock Resources Ltd. and Canor Energy Ltd. - Sale of Pipeline

On 20 December 1996, the Board approved an application dated 7 October 1996 from Northrock for approval to sell a pipeline to Canor and an application dated 8 October 1996

from Canor to purchase the pipeline. The pipeline in question is 5 400 metres long and crosses the Alberta/Saskatchewan border in Township 30.

4. Westcoast Energy Inc. - Sale of Beg Jedney Facilities

On 19 November 1996, the Board approved an application dated 17 October 1996, from Westcoast to sell to Westcoast Gas Services Inc. its Beg Jedney Facilities consisting of five pipelines for raw gas transmission pipeline extending approximately 60 kilometres (37 miles) in the Fort St. John area of British Columbia.

5. Section 58 Applications

The Board has approved or is considering several applications under section 58 of the NEB Act involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. These matters may be considered by the Board without a public hearing.

Gas Pipelines

Blue Range Resources Corporation
Application dated 18 September 1996
Application: Construct the Boundary Lake Gas Gathering Pipeline System.

Estimated Cost: \$612 070
Approved on 22 October 1996
Order Number: XG-B88-42-96

Fletcher Challenge Energy Canada Inc.
Application dated 18 October 1996
Application: Construct a 1.4 kilometre natural gas pipeline between Alberta and Saskatchewan.
Estimated Cost: \$120 000
Approved on 25 November 1996
Order Number: XG-F42-54-96

Foothills Pipe Lines (Sask.) Ltd.
Application dated 17 October 1996
Application: Install gas odorization systems at compressor stations 391, 393 and 394 in Zone 9.
Estimated Cost: \$33 000
Approved on 31 October 1996
Order Number: XG-F12-50-96

TransCanada PipeLines Limited
Application dated 11 September 1996
Application: Construct new meter stations and hot taps and maintenance repairs on existing system at various locations across Canada.
Estimated Cost: \$1 726 000
Approved on 16 October 1996
Order Number: XG-T1-47-96

TransCanada PipeLines Limited
Application dated 17 October 1996
Application: Amend existing Order number XG-T1-20-96

for the installation of Electrical Power Feeds by SaskPower.
Estimated Cost: \$114 000
Approved on 6 November 1996
Order Number: AO-1-XG-T1-20-96

TransCanada PipeLines Limited
Application dated 30 September 1996
Application: Install flow computer and auxiliary equipment to its sales tap at Baltimore, Ontario.
Estimated Cost: \$18 000
Approved on 10 October 1996
Order Number: AO-1-XG-T1-56-95

TransCanada PipeLines Limited
Application dated 8 November 1996
Application: Install pig launchers and receivers, replacement of sections of pipe and modifications at compressor stations.
Estimated Cost: \$31 729 000
Approved on 20 December 1996
Order Number: XG-T1-56-96

Westcoast Energy Inc.
Application dated 27 November 1995
Application: Addition of flare igniters at various locations.
Estimated Cost: \$58 000
Approved on 4 October 1996
Order Number: XG-W5-44-96

Westcoast Energy Inc.
Application dated 1 October 1996
Application: Install water analyzer, instrument building, controls and telecommunications on the Babcock Pipeline.
Estimated Cost: \$379 000
Approved on 16 October 1996
Order Number: XG-W5-46-96
Westcoast Energy Inc.

Application dated 1 October 1996
Application: Install boiler blowdown pH control at the Pine River Gas Plant.
Estimated Cost: \$163 000
Approved on 31 October 1996
Order Number: XG-W5-48-96

Westcoast Energy Inc.
Application dated 2 October 1996
Application: Install two cyclone type separators at the upstream side of the inlet raw gas compressors at the McMahon Gas Plant.
Estimated Cost: \$2 470 000
Approved on 30 October 1996
Order Number: XG-W5-49-96

Westcoast Energy Inc.
Application dated 18 October 1996
Application: Construct a new meter station at the Caribou Gas Plant.
Estimated Cost: \$922 000

Approved on 7 November 1996
Order Number: XG-W5-51-96

Westcoast Energy Inc.
Application dated 16 October 1996
Application: Modify the Beg Jedney area pipelines.
Estimated Cost: \$1 475 000
Approved on 7 November 1996
Order Number: XG-W5-52-96

Westcoast Energy Inc.
Application dated 13 March 1996
Application: Construct modifications to and reactivate the Gundy Creek Pipeline.
Estimated Cost: \$200 000
Approved on 20 November 1996
Order Number: MO-16-96

Oil Pipelines

Amoco Canada Petroleum Company Ltd.
Application dated 15 April 1996
Application: Modification to the downstream condensate pipeline in Sarnia, Ontario.
Estimated Cost: \$198 000
Approved on 20 December 1996
Order Number: XO-D56-33-96

Amoco Canada Petroleum Company Ltd.
Application dated 15 April 1996
Application: Modification to the downstream liquified petroleum gas pipeline in Sarnia, Ontario.
Estimated Cost: \$14 000
Approved on 20 December 1996
Order Number: XO-D56-34-96

Dome NGL Pipelines Ltd.
Application dated 31 October 1996
Application: Modify piping on the Eastern Delivery System at the Windsor Storage Terminal.
Estimated Cost: \$25 000
Approved on 18 November 1996
Order Number: XO-D7-30-96

Interprovincial Pipe Line Inc.
Application dated 9 October 1996
Application: Purchase land adjacent to Souris Station property and extend the road system.
Estimated Cost: \$9 000
Approved on 29 November 1996
Order Number: XG-J1-55-96

Murphy Oil Company Ltd.
Application dated 29 August 1995
Application: Construct and operate the Bodo-Cactus Lake blending facility.
Estimated Cost: \$205 000
Approved on 11 October 1996

Order Number: XQ-M23-29-96

Murphy Oil Company Ltd.

Application dated 13 November 1996

Application: Tie-in the North-Sask pipeline system to Manito pipeline.

Estimated Cost: Owners of North-Sask pipeline will pay for the line; therefore, there are no costs to Murphy.

Approved on 29 November 1996

Order Number: XO-M23-31-96

Trans Mountain Pipeline Company Ltd.

Application dated 21 November 1996

Application: Modify refined products booster pumps at Edmonton Terminal.

Estimated Cost: \$375 000

Approved on 26 November 1996

Order Number: XO-T4-32-96

Trans Mountain Pipeline Company Ltd.

Application dated 18 October 1996

Application: Approval of 42 projects as capital expenditures for 1997.

Estimated Cost: \$ 7 400 000

Approved on 23 December 1996

Order Number: XO-T4-36-96. The Board approved 35 of the projects at an estimated cost of \$5 344 200

Westspur Pipe Line Company Ltd.

Application dated 21 March 1996

Application: Sixty eight asset additions from 1985 to 1995.

Estimated Cost: \$4 798 590

Status: On 31 October 1996, the Board sent a letter to Westspur requesting additional information.

Matters Under Consideration

6. Canadian Association of Petroleum Producers (CAPP) - Pipeline Workshop

On 20 November 1996, CAPP requested that the Board establish and release procedures for a workshop at which issues affecting the ability of pipeline companies to best serve the gas industry would be considered in a generic fashion.

On 19 December 1996, the Board sent a letter to interested parties seeking comments on the following issues:

- the usefulness of CAPP's proposed workshop;
- the most appropriate timing for such a workshop;
- potential issues to be addressed at such a workshop; and
- alternatives to CAPP's proposal (i.e. forums other than a workshop) that could be utilized to achieve the desired result.

7. Foothills Pipe Lines Ltd. - 1998 East Leg Expansion Project

On 19 July 1996, Foothills filed companion applications with the Board and the Northern Pipeline Agency (NPA) for approval of its proposed 1998 East Leg Expansion Project. This expansion would provide approximately 19.5 million cubic metres (700 000 cubic feet) per day of incremental export capacity at the international border in southern Saskatchewan commencing 1 November 1998 (representing a 45 percent increase over existing capacity). The estimated cost of the expansion is \$169 million.

The filing with the Board consists of an application for approval to expand the decompression / recompression facility at Empress, Alberta. To accommodate incremental flow volumes, Foothills proposes to install a third recompressor unit and associated piping and the debottlenecking of certain piping. The estimated capital cost of this work is approximately \$18 million.

The filing with the NPA is framed as an addendum to Foothills' System Design Report and is for authorization to proceed under the Northern Pipeline Act with the construction of associated Prebuild expansion facilities downstream of Empress. The proposed downstream facilities consist of 113.4 kilometres (70.5 miles) of 1067 millimetre (42-inch) looping in two segments, a replacement compressor unit at the Piapot, Saskatchewan Compressor Station, other compression-related facilities including impellers and aerial cooling facilities at the four compressor stations downstream of Empress, and an additional meter run at Monchy, Saskatchewan. All of these facilities would be constructed and installed in Saskatchewan except for a 1.6-kilometre section of pipe inside the Alberta/Saskatchewan border. The estimated capital cost of the Prebuild expansion is approximately \$151 million.

8. Interenergy Sheffield Processing Company (Canada) Ltd. - Pipeline Construction

On 31 July 1996, Interenergy applied to construct a 5-kilometre long pipeline from south Saskatchewan crossing the border near North Portal Saskatchewan to North Dakota. The pipeline will be used to deliver low pressure associated sour gas to the Lignite gas gathering system located in North Dakota. The estimated cost of the project is \$959 000.

The Board decided to hold a written proceeding to consider the application.

9. Trans Québec and Maritimes Pipelines Inc. - Sable Projects and Certificate of Public Convenience and Necessity No. GC-68

In a letter dated 5 September 1996, TQM indicated its intent to intervene in the proposed Sable Offshore Energy Projects hearing. In its letter, TQM requested guidance on how to proceed with an application to the Board to extend the date

specified in Certificate of Public Convenience and Necessity No. GC-68. Certificate GC-68 was issued to TQM in 1981 to construct a natural gas pipeline from Quebec to Nova Scotia. The pipeline was never constructed

On 16 October 1996, the Board sent a letter to TQM suggesting that if it wished to proceed in this manner instead of making a new application under section 52 of the NEB Act, that TQM file an application setting out the specific relief that it is seeking together with appropriate supporting material and justification for the application.

Traffic, Tolls and Tariff Matters

Matters Completed

1. Audit Reports

On 14 November 1996, the Board issued its final Audit Report on TransCanada PipeLines Limited for the fiscal year ending 31 December 1995.

2. Alberta Natural Gas Company Ltd - Interim Tolls for 1997

On 20 December 1996, the Board approved Alberta Natural's Rates Statements for 1997 as filed but made them interim pending the Board's decision regarding the rate of return on common equity for 1997 (refer to item 8 below).

3. TransCanada PipeLines Limited - Interim Tolls for 1997

On 20 December 1996, the Board approved an application dated 11 December 1996 from TransCanada for interim tolls effective 1 January 1997.

TransCanada had requested that the interim tolls reflect the approved 1996 tolls with the following adjustments:

- the utilization of a rate of return on common equity of 10.75 percent;
- an adjustment to reflect a new methodology for calculating the surcharge for Enhanced Capacity Release Service;
- an adjustment to reflect the fixing of the Firm Service Tendered Differential at the 1996 level in dollars per thousand cubic metres; and
- an adjustment to reflect the calculation of the East/West Differential for Short Term Firm Transportation and Interruptible Transportation Services on a consistent basis.

The Board also advised the Company that the interim order is subject to the Board's final decision with respect to the calculation and setting of the rate of return on common equity for 1997 (refer to item 8 below).

4. TransCanada PipeLines Limited - Interim Reports of the 1997 Tolls Task Force

TransCanada has applied for approval of several resolutions as contained in the Interim Reports of the 1997 Tolls Task Force.

The Board approved the following:

Resolution Nos.	Date approved
97-1, 97-2, 97-4 and 97-6 to 97-11	4 July 1996
97-3 and 97-5	23 July 1996
97-12 to 97-16	25 July 1996
97-17 to 97-20	5 September 1996
97-21 and 97-22	27 September 1996
97-23 and 97-24	31 October 1996
97-25, 97-26 and 97-27	5 December 1996
97-28	30 December 1996

5. Trans Québec & Maritimes Pipeline Inc. - Interim Tolls for 1997

On 20 December 1996, the Board approved an application dated 2 December 1996 from TQM requesting that the Board issue an order rendering its existing tolls interim effective 1 January 1997.

TQM indicated that it has been negotiating with its customers regarding the possibility of determining the operation and maintenance costs of its costs of service through a multi-year negotiated agreement as opposed to the traditional annual tolls application approach. TQM advised that discussions are still proceeding and that it intends to file a tolls application as soon as possible after the conclusion of these negotiations.

The Board also advised the Company that the interim toll order is subject to the Board's final decision with respect to the calculation and setting of the rate of return on common equity for 1997 (refer to item 8 below).

6. Westcoast Energy Inc. - Helmet/Peggo Facilities Zone 1 Tolls

On 31 October 1996, the Board approved an application dated 8 October 1996 from Westcoast for approval of revised Zone 1 tolls and surcharges payable by the Helmet/Peggo shippers.

7. Westcoast Energy Inc. - Offline Service Agreement with Peace River Transmission Company Ltd.

On 25 October 1996, the Board approved an application dated 16 September 1996 from Westcoast for approval to enter into an Offline Service Agreement with Peace River Transmission Company Ltd, effective 1 November 1996.

The Board sought comments from interested parties on the application.

Matters Under Consideration

8. *Rate of Return on Common Equity for 1997*

In its March 1995 Cost of Capital Reasons for Decision (RH-2-94), the Board found that an automatic mechanism to make annual adjustments to the approved rate of return on common equity was appropriate. The adjustment mechanism, to apply from the 1996 toll year onwards, is based on changes in forecast yields for 10-year Government of Canada bonds published in Consensus Forecasts (Consensus Economics Inc., London, England), adjusted to reflect the spread between 10-year and 30-year Government of Canada bonds. Changes in the rate of return on common equity will be 75 percent of the year-over-year changes in bond yield forecasts.

Prior to its final determination of the Rate of Return for 1997, the Board received a request from the Canadian Energy Pipeline Association (CEPA) asking the Board to consider CEPA's submission with respect to the manner in which the rate of return on common equity should be calculated. The Board also received a letter from the Canadian Association of Petroleum Producers opposing CEPA's request.

On 23 December 1996, the Board decided that a reasonable doubt has been raised by CEPA as to the correctness of the Board's RH-2-94 Decision. Therefore, the Board has decided to conduct a review of the order issued in March 1995 and requested interested parties to RH-2-94 to provide comments on the appropriate manner in which the provisions of the Board's order should be interpreted.

9. *Foothills Pipe Lines (Alta.) Ltd., Foothills Pipe Lines (South B.C.) and Foothills Pipe Lines (Sask.) Ltd. - 1997 Operating and Maintenance Expense Budgets*

On 20 December 1996, Foothills Pipe Lines Ltd. applied, on behalf of the above noted subsidiaries, for approval of Operating and Maintenance Expense Budgets for the 12-month period ending on 31 December 1997.

On 20 December 1996, the Board advised Foothills that before making a final decision on the applied-for budgets it wished to consider Foothills' actual 1996 costs and the analysis of the 1996 operating and maintenance expense variances due to be filed with the Board on 28 February 1997. Therefore, the Board decided to issue an interim order approving interim budgets for the year ending 31 December 1997 equal to 50 percent of the budgets submitted.

10. *Foothills Pipe Lines Ltd. - Tariff Changes*

On 5 December 1996, Foothills applied for approval of revisions to its approved Tariff. Foothills proposes to implement an open season process for expansion and available capacity on Zone 9 of its system.

Foothills stated that the existing queuing procedures on Zone 9 are, in some circumstances, not effective in meeting the requirements of shippers. The queue process can act as a barrier to those parties which require service in a relatively short period and can limit Foothills' ability to respond in a timely fashion. Often, queues contain request which are stale-dated. Further, the open season provides an opportunity to bring the process to the attention of a broader range of potential shippers.

On 20 December 1996, the Board decided to conduct a written proceeding to deal with the application.

11. *Government of the Northwest Territories (GNWT) - Complaint and Notice of Motion - Tolls and Tariffs of Interprovincial Pipe Line (NW) Ltd. IPL(NW) - Norman Wells Pipeline*

(For more information on this matter refer to item 8 under *Traffic and Toll Matters*, on page 9, in issue No. 58 of the *Regulatory Agenda* dated 1 October 1996.)

On 30 December 1996, the Board approved interim tolls for IPL(NW) for 1997.

12. *Morgan Hydrocarbons Inc. - Complaint Re: Murphy Oil Company Ltd. and Manito Pipelines Ltd.*

(For information on this matter, refer to item 9 under *Traffic and Toll Matters*, on page 10, in issue No. 58 of the *Regulatory Agenda* dated 1 October 1996 and item 5 under *Appeals, Referral and Reviews* on page 12 of this issue of the *Regulatory Agenda*.)

13. *PanCanadian Petroleum Limited - Request for Condensate Transportation*

On 17 September 1996, PanCanadian requested that the Board order Amoco Canada Petroleum Company Ltd. to reinstate the condensate transportation service between Marysville, Michigan and Sarnia, Ontario. In 1995, Amoco removed from condensate service an eight inch pipeline crossing the St. Clair River to put it into liquified petroleum gas service. PanCanadian wants the condensate to be transported from the Marysville Fractionator in Michigan to the Novacor facility in Sarnia.

On 24 December 1996, the Board sent a letter to PanCanadian and Amoco informing them that it was considering the possibility of holding an oral public hearing to examine the PanCanadian request. However, the Board advised that it will not take further steps on this matter until such time as PanCanadian provides an update regarding the current status of its request and the status of the U.S. connector pipeline.

14. TransCanada PipeLines Limited - Interim Tolls Re: Refund from Great Lakes Gas Transmission Limited Partnership

(Refer to item 6 under *Traffic and Toll Matters* on page 9 of the 1 October 1996 issue of the *Regulatory Agenda* - Issue No. 58.)

On 19 September 1996, the Board issued its decision on how TransCanada should distribute a refund of approximately \$38 million (U.S.) that it expects to receive from Great Lakes over a period of three years commencing in 1996. The refund relates to excess incremental rates paid by TransCanada to Great Lakes for service during the period 1 November 1991 to 30 September 1995.

On 18 November 1996, TransCanada requested that its 1996 Firm Transportation, Firm Service Tendered and Storage Transportation Service tolls be made interim subject to the disposition of all appeals in the United States with respect to the Federal Energy Regulatory Commission decision regarding incremental tolling on the Great Lakes system.

On 28 November 1996, the Board decided to make the tolls for the above noted services interim and decided to seek the comments of interested parties on this matter by way of a written proceeding.

15. TransCanada PipeLines Limited - Multiple Handshake/Pooling Service (MHPS)

On 25 July 1996, the Board approved a request from TransCanada to offer MHPS on pilot basis until 31 December 1996 and only at the Niagara and Iroquois export points. On 16 December 1996, TransCanada applied for approval to offer MHPS on a permanent basis, and to offer the service at additional points on its system. TransCanada also requested approval to continue to offer the MHPS pilot program until the Board disposed of the application to make the service permanent.

MHPS enables shippers and gas marketers/aggregators to aggregate gas volumes at MHPS points by allowing them to preform multiple handshakes or title transfers at those points. Volumes may originate from upstream or downstream (via backhauls) transportation contracts, other MHPS Accounts or a combination of both. Any party wishing to participate in these transactions must have an MHPS Account. An MHPS Account Holder can transfer ownership and control of some or all of that gas to any other MHPS Account Holder at that MHPS point.

On 20 December 1996, the Board decided to conduct a written proceeding to deal with this matter. The Board also approved TransCanada's also request to continue to offer the MHPS pilot program until the Board disposed of the application to make the service permanent.

Frontier Matters

1. Declarations of Significant Discovery and Commercial Discovery

The Board has issued a document entitled *Guidance Notes for Applicants: Applications for Declarations of Significant Discovery and Commercial Discovery*.

Following the discovery of oil or gas in the north or in offshore areas not subject to a federal/provincial shared management agreement, the Board is responsible for making a declaration of Significant Discovery, that is, recognizing that a discovery has been made and defining the lands to which the accumulation of oil or gas may extend. Application to the Board to declare a Significant Discovery is made by the holder of the interest prior to expiry of the interest. The Board may also declare a Significant Discovery on its own initiative, or may amend declarations or revoke previous declarations based on additional drilling.

Once the declaration of Significant Discovery has been made, the interest owner may apply to the Minister of Indian and Northern Affairs Canada (INAC) for northern onshore and offshore areas, or to the Minister of Natural Resources Canada for offshore areas not under the jurisdiction of INAC and not subject to Accord Agreements for a Significant Discovery Licence which holds the lands described in the declaration.

If an operator plans to develop a discovery for production, the operator may apply to the Board for a declaration of Commercial Discovery, defined as the area containing petroleum reserves that justifies the investment of capital and effort for production development. The Board may also declare a Commercial Discovery on its own initiative, or may amend declarations or revoke previous declarations based on additional drilling.

A declaration of Commercial Discovery enables the interest holder to apply to the responsible minister for a Production Licence which conveys title to the produced oil and gas. The Board is responsible for approving a development plan for production

2. Frontier activities for the fourth quarter of 1996

- (a) Approval was given to Unocal Canada Exploration Limited; for a "Drilling Program Approval" on EL 381, pursuant to section 11 of the *Canada Oil and Gas Drilling Regulations* on 6 November 1996 and for an "Authority to Drill a Well" pursuant to section 83(1) of the *Canada Oil and Gas Drilling Regulations* for the well UCEL Liard K-02 on 5 December 1996.
- (b) An application for an "Authority to Drill a Well" was submitted by Ranger Oil Limited for approval pursuant to section 83(1) of the *Canada Oil and Gas Drilling Regulations* for Ranger Fort Liard E-56 on 10 September

1996. An application to amend the original "Authority to Drill a Well" to reflect the new location, Ranger Fort Liard P-66, was submitted on 3 December 1996 and approved on 24 December 1996.

- (c) An application for an "Authority to Drill a Well" was submitted by Paramount Resources Ltd. for approval pursuant to section 83(1) of the *Canada Oil and Gas Drilling Regulations* for the well Paramount et al Bovie C-76 on 18 November 1996 and the approval is pending.

- (d) A waiver from the requirement for a Diverter system on the proposed well, Ranger Fort Liard E-56, pursuant to section 60(1) of the *Canada Oil and Gas Drilling Regulations* was granted to Ranger Oil Limited on 4 December 1996.

- (e) Approval was given to Panarctic Oils Ltd. for two "Well Termination Reports" pursuant to section 184 of the *Canada Oil and Gas Drilling Regulations* on 29 October 1996:

Panarctic et al W. Bent Horn A-02
Panarctic et al W. Bent Horn I-01A

- (f) Approval was given to Imperial Oil Resources for the following work at Norman Wells:

- (i) a waiver from the requirement to obtain buildup and static pressures on producing wells pursuant to paragraph 15(4)(b) of the *Canada Oil and Gas Conservation and Production Regulations* for the calendar year 1996 on 22 October 1996.

- (ii) to proceed with production testing of the wells Imp Norman Wells L-52X and Imp Norman Wells J-52X pursuant to subsection 14(2) of the *Canada Oil and Gas Production and Conservation Regulations* on 7 October 1996.

- (iii) to measure and allocate production from the below referenced pairs of wells, concurrently, from November until May pursuant to subsection 43(2) of the *Canada Oil and Gas Production and Conservation Regulations* on 4 November 1996:

Imperial Canol C-30X	Imperial Canol C-32X
Imperial Canol C-36X	Esso Norman Wells C-34X-1X
Esso Norman Wells D-42X	Esso Norman Wells D-44X

- (iv) an extension of the "Approval for a Well Operation" dated 21 December 1995 until 15 February 1997 pursuant to subsection 19(3) of the *Canada Oil and Gas Production and Conservation Regulations* was given on 20 December 1996.

- (g) Approval was given to Suncor Inc. to maintain suspended status for a three year period, pursuant to section 218 of the *Canada Oil and Gas Drilling Regulations* on 1 October 1996:

Sun SOBC BVX et al Garry P-04
Sun CCL BVX et al Garry G-07

- (h) Approval was given to Shell Canada Limited for ten "Well Termination Reports" pursuant to section 184 of the *Canada Oil and Gas Drilling Regulations* on 18 October 1996:

Shell Niglintgak H-30	Shell Unipkat B-12
Shell Niglintgak M-19	Shell Gulf Imp Titalik O-15
Shell Kugpik O-13	Shell Niglintgak B-19
Shell Kumak E-58	Shell Unipkat N-12
Shell Unipkat I-22	Shell Kumak K-16

- (i) Approval was given to the Geological Survey of Canada for three "Well Termination Reports" pursuant to section 184 of the *Canada Oil and Gas Drilling Regulations* on 18 October 1996:

Shell Beaver House Creek H-13
Shell Ulu A-35
SOBC Can Sup et al North Ellice J-23

These wells were operated as temperature observation wells by the Geological Survey of Canada.

- (j) Three applications for Geological or Geophysical Operation Authorization were submitted. One application is pending and two applications were approved pursuant to section 5 of the *Canada Oil and Gas Operations Act*:

Company	Area	Approval Date
Western Geophysical	Central Mackenzie NWT	6 Dec 1996
Unocal Canada Limited	Southern NWT	23 Nov 1996
Ranger Oil Limited	Central Mackenzie NWT	Pending

Appeals, Referral and Review

Appeals Pending

1. Attorney General of the Province of Alberta - Pesh Creek Pipeline - OH-1-96

On 11 July 1996, the Province of Alberta filed an Originating Notice of Motion with the Federal Court of Appeal for an order dismissing, or otherwise declining to entertain, the Board's reference to the Court of the jurisdiction question regarding the Pesh Creek Pipeline. In the alternative, the Province requested that the Court quash the reference. (Refer to item 1 under *Referral* on page 13.)

The preliminary motions were heard in Vancouver in November 1996. The application to quash the Board's reference will be heard in Vancouver commencing 13 January 1996.

2. BC Gas Utility Ltd. - Westcoast Energy Inc. - Grizzly Valley Application - GH-6-94

On 3 April 1996, BC Gas applied to the Supreme Court of Canada for leave to appeal the Federal Court's decision of 9 February 1996 in which it decided that the Pine River Plant and Grizzly Valley Raw Gas Transmission System in northeastern British Columbia were under the Board's jurisdiction. Leave to appeal was granted by the Supreme Court of Canada on 30 October 1996. A Notice of Constitutional Question has been posed.

3. British Columbia Wilderness Federation - British Columbia Power Exchange Corporation (POWEREX)

On 11 October 1996, the BC Wilderness Federation filed with the Federal Court of Appeal an application for leave to appeal the Board's decision of 13 September 1996 in which it authorized POWEREX to export electricity to Intalco Aluminum Corporation.

4. Canadian Hunter Exploration Ltd. - Tidal Resources Inc.

On 22 August 1996, Canadian Hunter filed with the Federal Court of Appeal an application for leave to appeal the Board's decision of 25 July 1996 in which it decided, as a result of the approval of Tidal Resources' application to construct a pipeline, that it had jurisdiction over certain upstream gathering facilities located within the province of British Columbia which are owned and operated by Canadian Hunter. Canadian Hunter requested that the application for leave to appeal be held in abeyance until it has had the opportunity to assess and possibly proceed with an application to the Board to deal with Canadian Hunter's concerns.

On 7 November 1996, the Federal court of Appeal granted the leave to appeal application.

5. Hydro-Québec - Access to Export Contract

On 23 September 1996, Hydro-Québec filed a Notice of Motion with the Federal Court, Trial Division to review the Board's decision of 4 September 1996, pursuant to section 44(1) of the *Access to Information Act*, in which the Board decided that a copy of a firm diversity contract between Hydro-Québec and Consolidated Edison would be made available to Mouvement Au Courant as requested. The Board stated that it would make the contract available 30 days following 4 September 1996 to afford time for Hydro-Québec to consider further proceedings in relation to this matter, should it wish to do so.

6. Morgan Hydrocarbons Inc. - Manito Pipelines Ltd. - Abandonment of Pipeline - MH-1-96

On 3 September 1996, Morgan filed with the Federal Court of Appeal an application for leave to appeal the Board's decision to approve the abandonment of a portion of Manito's pipeline. The Board held that upon abandonment, it will cease to have jurisdiction over both the abandoned line and the remaining portion of the Manito pipeline. An application to stay the Board's order was also filed with the Court. The Board stayed the abandonment order.

7. Richard Leroux and 417 Auto Wreckers Limited - TransCanada PipeLines Limited

On 6 May 1996, the Federal Court of Appeal quashed an application by Richard Leroux and 417 Auto Wreckers in which it sought an order for judicial review the Board's decision of 22 December 1995. However, the Federal Court of Appeal granted the application for leave to appeal the same decision. In its decision, the Board found the aggregate application of Richard Leroux did not fall within section 81 of the NEB Act as it did not meet the requirement of "mines or minerals".

8. Richard Leroux and 417 Auto Wreckers Limited - TransCanada PipeLines Limited

On 19 June 1996, Richard Leroux and 417 Auto Wreckers Limited filed a notice of appeal with the Federal Court to appeal the Court's decision to quash the application for judicial review (refer to item 7 above).

9. Rocky Mountain Ecosystem Coalition (RMEC) - Express Pipelines Limited - OH-1-96

On 29 October 1996, RMEC applied to the Supreme Court of Canada for leave to appeal the Federal Court's decision dismissing RMEC's application for judicial review of the Joint Review Panel's report regarding the Express Pipeline Project.

Referral

1. *Novagas Clearinghouse Pipeline Ltd. - Pesh Creek Pipeline - OH-1-96*

In January 1996 the Board approved an application from Novagas to construct and operate a 16.5-kilometre (10 miles) long natural gas pipeline which will transport natural gas from a proposed separation, compression and metering facility in northeastern British Columbia to a proposed metering facility in northwestern Alberta.

On 14 June 1996, the Board referred to the Federal Court of Appeal a jurisdictional question over certain upstream and downstream facilities connecting to the applied-for Novagas facilities. (Refer to 1 under Appeals above.)

The preliminary motions were heard in Vancouver in November 1996. The application to quash the Board's reference will be heard in Vancouver commencing 13 January 1996.

Review

1. *Westcoast Energy Inc. - Accident Investigation Letter Order*

On 11 July 1996, the Board on its own motion decided to stay the effect of a letter order it had issued on 5 June 1996, pending its review of the letter order. The letter order had been issued as a result of an accident investigation conducted by Board staff on certain Westcoast facilities. Subsequent to issuing that order, the Board learned of the decision of the Federal Court of Canada in the case of *Westcoast Energy Inc. v. Serge Cadieux, Brent Storey, Westcoast Energy Inc. Occupational Safety and Health Committee and Canadian Pipeline Employees' Association*, which decision has raised a doubt concerning the correctness of the Board's letter order.

In a letter to Westcoast dated 7 November 1996, the Board indicated that it had rescinded its letter order of 5 June 1996 in light of the decision of the Federal Court.

Amendments to Regulations

Amendments to the Board's regulations completed or in various stages of preparation, include the following:

1. *Onshore Pipeline Regulations*

On 12 July 1996, the Board advised interested parties that it would forward a new draft consolidation of the *Onshore Pipeline Regulations* to the Department of Justice for legal review.

The Regulations specify the requirements for the protection of property and the environment and safety of the public and company employees in the design, construction, operation, maintenance and abandonment of an onshore pipeline. The current regulations have been in effect since June, 1989.

2. *Offshore Pipeline Regulations*

The *Offshore Pipeline Regulations* will specify the requirements for the protection of property and the environment and the safety of the public and the company's employees in the design, construction, operation and abandonment of an offshore pipeline.

The Regulations are at the drafting stage.

3. *National Energy Board Electricity Regulations*

The Regulations will be published in the *Canada Gazette*, Part II in February 1997.

The regulations set out, among other things, information requirements for applications in respect of electricity exports and international power line facilities, and the terms and conditions of export and facilities permits.

4. *Regulations Pertaining to Frontier Oil and Gas Activities*

The process of creating and amending regulations pertaining to frontier oil and gas activities, under the provisions of the *Canada Oil and Gas Operations Act*, proclaimed in force in September 1992, is continuing. At present, the regulatory agenda is as follows:

Regulations being drafted

Canada Oil and Gas Occupational Safety and Health Regulations - Amendments

Canada Offshore Oil and Gas Drilling Regulations - Re-structuring

Canada Oil and Gas Production and Conservation Regulations - Amendment

Nova Scotia Offshore Spills and Debris Regulations

Newfoundland Offshore Area Petroleum Occupational Safety and Health Regulations

Nova Scotia Offshore Area Petroleum Occupational Safety and Health Regulations

Physical Environmental Guidelines for Drilling Programs on Frontier Lands

Pursuant to an administrative arrangement between the Board and Natural Resources Canada, the Board is also working with the provinces of Newfoundland and Nova Scotia in drafting federal and provincial versions of the preceding regulations which pertain to the offshore areas under joint resource management accords.

Other Matters

Intervenor Funding

On 9 August 1996, the Board issued a report on intervenor funding for persons participating in the Board's proceedings. The Board prepared the study in response to a request from the Minister of Natural Resources Canada in December 1995 wherein she requested that the Board examine possibilities for providing financial assistance to intervenors participating in the Board's proceedings, within the present legislative framework, especially where landowners' interests are directly affected.

In its report, the Board identified an option that could be implemented by Parliament and the Board. That option would consist of an intervenor funding program established through spending authority enacted by Parliament. This would provide a funding mechanism and allow for specific intervenor funding decisions to be made by the Board. Monies disbursed through the program would be recovered through the Board's cost recovery mechanisms. The Board said in its report that, despite some administrative complexities, this is a workable flexible option for implementing intervenor funding in the absence of specific legislation. The Board also said in its report that a substantial degree of public and industry consultation will be necessary for the implementation phase of NEB intervenor funding.

The Board sought interested persons' comments on the study by 15 October 1996.

On 10 December 1996, the Board reported to the Minister of Natural Resources on the interested person's comments on the study.

Natural Gas Market Assessment Report

On 28 November 1996, the Board released its latest in a series of Natural Gas Market Assessment (NGMA) reports entitled Canadian Natural Gas Ten Years After Deregulation. NGMA reports contain results of the Board's ongoing natural gas market monitoring which constitutes a part of the Board's Market-Based Procedure (MBP). The MBP was founded on the premise that the marketplace would generally operate in such a way that Canadian requirements for natural gas would be met at fair market prices.

The purposes of this NGMA report were to: (1) review the changes that have taken place in the Canadian natural gas market in the ten years since the gas market was deregulated; (2) describe the current functioning of the market; and (3) assist the Board in assessing whether or not the market is generally operating in such a way that Canadian requirements for natural gas are being met at fair market prices.

Administrative Matters

Reorganization

In October 1996, the Board decided to reorganize in keeping with objectives identified in its Strategic Plan, namely:

- to maintain or enhance its high standards of regulatory service; and
- to transform the organization in order to deliver results crucial to the Board's Corporate Purpose: that is, making decisions that are fair, objective and respected.

Based on the results of a high-level process review, the Board will now be structured around business lines, rather than 10 functional branches. Our new business units are as follows: Applications, Operations, Commodities, Information Management and Corporate Services. Each new business unit will be headed by a business leader. The Board's intention is to streamline operations by removing structural barriers, creating a process-based organization with a focus on service delivery and results.

The operation of the five Business Units should be in place in the first quarter of 1997.

Web Site

On 16 December 1996, the Board launched its new Internet site, providing electronic access on the World Wide Web to a wide range of documents and information services. The bilingual site provides background on the Board's history, its regulatory role and mandate, an explanation of the public hearing process and how the public can participate. In addition, it offers full-text versions of news releases, the quarterly Regulatory Agenda, overviews of hearing decisions and current statistical reports for up-to-date details on news that matters to the regulatory community.

Internet users are invited to visit the Board's interactive home page at www.neb.gc.ca. Feedback on the site is welcome, and more on-line information services will be added on a regular basis.

Notice to Bulletin Board Users:

The Board has now launched its Internet Web Site (see above). The Board will maintain both the Internet site and the Bulletin Board for approximately three months, at which time the Bulletin Board will no longer be available.

Please address any concerns to Shawn Aitken, telephone (403) 299-3932.

Electronic Regulatory Filing (ERF)

ERF Phase I Information Architecture, Design, Specification and Document Type Definition Development

Phase I of the ERF project has been completed. On 11 and 12 December 1996, the results of this phase were discussed at a series of meetings in Toronto. Participants from the NEB, Ontario Energy Board and regulated companies were presented with sixteen Document Type Definitions (DTDs) that will be used for standardized electronic regulatory documents. A report on preliminary testing of these DTDs, conducted by a representative sample of document authors in Calgary, Edmonton and Toronto, was shared with attendees. Also noted were the findings of a recent cost-benefit analysis which gathered input from 17 participating organizations. It indicated that the ERF initiative is expected to pay for itself three years after implementation while, at the same time, delivering significant qualitative improvements to the regulatory process. Based on these findings, participants unanimously agreed to move forward with Phase II of the project.

ERF Phase II Proof of Concept and Pilot Projects

The Proof of Concept was launched on 13 December 1996 and will become the primary focus of ERF activities in the first half of 1997. During this phase, ERF participants will further test the standardized DTDs developed in Phase I to prove they are workable for creating, exchanging and reusing regulatory information. The Proof of Concept will provide participants with hands-on experience using ERF technology, including the electronic document repository which will eventually contain all electronic regulatory filings.

The regulatory document types being considered in Phases I and II are:

- Export and import submissions (federally regulated)
- Facilities and rates submissions (federally and provincially regulated)
- Surveillance reports (federally and provincially regulated)
- Franchises and funding (provincially regulated).

Meetings of the ERF Pipeline Document and Standards Committees were held in Vancouver on 4 and 5 November. All Committees met in Toronto to analyse results of Phase I on 11 and 12 December.

Speeches

"Regulation - What's Hot, What's Not" a presentation by Judith A. Snider, Board Member, to the Info-Tech 12th Annual Natural Gas marketing conference in Calgary, Alberta on 2 October 1996.

"Role of Canada in the Evolution of the North American Energy Market" a presentation by Judith A. Snider, Board Member, to the American Bar Association in Boston, Massachusetts on 4 October 1996.

"Lessons Learned in Achieving Separate Employer Status" a presentation by R. Priddle, Chairman, to the Deputy Minister's luncheon in Ottawa, Ontario on 4 October 1996 (Slides only).

"Issues at the National Energy Board" a presentation by Judith A. Snider, Board Member, to the Intenco Energy Consultants Ltd. Client Meeting in Calgary, Alberta on 5 December 1996.

Documents Issued - 1 October to 31 December 1996

Reasons for Decision

TransCanada PipeLines Limited - 1997-1998 Facilities - GH-3-96 - Reasons for Decision dated November 1996; issued on 28 November 1996.

Reports

Natural Gas Market Assessment - Ten Years After Deregulation - November 1996

Report of the Inquiry - Stress Corrosion Cracking on Canadian Oil and Gas Pipelines - MH-2-95 - November 1996

Pipeline Abandonment - A Discussion Paper on Technical and Environmental Issues - November 1996

(Prepared for the Pipeline Abandonment Steering Committee comprised of representatives from the Canadian Association of Petroleum Producers, the Canadian Energy Pipeline Association, the Alberta Energy and Utilities Board, and the National Energy Board)

Instructions for Filing

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 311 - Sixth Avenue S.W., Calgary, Alberta, T2P 3H2; Telephone (403) 292-4800; Fax (403) 292-5503.

Appendix I lists the number of copies required for the different types of applications.

Telephone Numbers

A current list of Board Members and key staff telephone numbers is attached as Appendix II.

Board Document System (BDS)

The Board has a BDS system available to the public, offering direct access to an electronic library of regulatory docu-

ments. Document contents may be searched on-line with full-text search capabilities. Presently, the system contains Reasons for Decision dating from 1985 and hearing transcripts from 1991. Other document types will be added gradually, as they become available in standardized electronic format. The BDS may be used from remote locations or at the Board's Calgary office. The only cost to users will be long-distance telephone charges, if any, to connect to the system.

All users are asked to register with the Board and sign a public access agreement. This agreement explains the responsibilities of the user and outlines relevant terms and conditions. Request for a user account may be made by mail, facsimile or telephone to our Regulatory Support Office (403) 292-4800. For more information, a brochure on the Board Document System is also available to interested parties.

M. L. Mantha
A/Secretary,
National Energy Board

For copies of documents contact:
For information contact:

Regulatory Support Office (403) 292-4800
Denis Tremblay (403) 299-2717

Mailing Lists

If you are not already on the Board's mailing lists and wish to be added thereto, please write to the Secretary of the Board providing your mailing address and the type of material you would be interested in receiving. The following are the Board's current mailing lists:

- L1: Everything the Board issues
- L4: Oil and gas matters
- L5: Electrical matters
- L6: Annual Report only
- L7: News Releases only
- L8: Regulatory Agenda only
- L9: Environmental matters

Appendix I

Number of Copies Required for Filings

Applicants are requested to provide the following number of copies of their applications or other filings to the National Energy Board. For matters not listed below, one copy is sufficient.

Type of Application or Filing	No. of Copies	Type of Application or Filing	No. of Copies
(a) Hearing Matters		(iii) Oil Exports	
(i) Certificates		Registered Oil Export Orders	05
Pipeline	25	(iv) Tolls	
Power Line	20	Class I and II Adjustments	20
(ii) Export Licence		Interim Orders	20
Natural Gas	25	Operating and Maintenance Budgets	20
Electricity	20	Changes in Depreciation Rates	20
(iii) Tolls	25	Quarterly Surveillance Reports	20
(iv) Land Acquisitions	20	New or Changed Tariffs	20
(b) Non-Hearing Matters		Domestic Gas Sales Contracts and Amendments	20
(i) Natural Gas		Amendments to Tariff Orders	20
Export Orders	20	(v) Pipelines and Power Lines	
Orders for Transmission Access	20	Permits	15
Licence Amendments	20	Exemption Orders Pipelines (Sec. 58)	20
Amendments to Export Contracts	20	Certificate Amendments	20
Licence Revocations	20	Leave to Sell or Transfer	20
(ii) Electricity Exports		Incident Reports	20
Permits	15	(vi) Other	
Licence or Permit Amendments	15	Application for Review	20
Licence or Permit Revocations	15		

The number of copies of interventions or submissions to be provided in response to applications will be specified in the applicable hearing order. Private individuals who would find the provision of multiple copies an undue financial burden may file one copy, with a request to be excused from multiple filing.

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 311 - Sixth Avenue S.W., Calgary, Alberta, T2P 3H2: Telephone (403) 292-4800; Fax (403) 292-5503.

Appendix II

Selected List of Telephone Numbers

(Area Code 403)

General Information	292-4800
Incident Reporting Number	1-800-632-1663
	1-800-NEB-1-ONE
Bulletin Board System	299-2751
Bulletin Board System Helpline	
9:30 to 10:30 a.m. (MT)	299-3919
Web Site	www.neb.gc.ca

Communications Officer	Ruth Grenville	299-2719
Library, Information		299-3561
General Information and Board Distribution Centre		292-4800

Halifax Office - Secretariat for the Joint Public Review of the Sable Gas Projects

Board Members		
Chairman	Roland Priddle	299-2724
Chairman's Assistant	Esther Binder	299-2725
Secretary	Carmen Morin	299-2726
Vice-Chairman	Kenneth Vollman	299-2730
Secretary	Lillian Handelman	299-2741
Member	Anita Côté-Verhaaf	299-2739
Secretary	Lillian Handelman	299-2741
Member	Roy Illing	299-2729
Secretary	Mona Butler	299-2728
Member	Robert Andrew	299-2736
Secretary	Mona Butler	299-2728
Member	Judith Snider	299-2737
Secretary	Lorraine Welsh	299-2734
Temporary Member ^(a)	Robert Fournier	(902)496-5112
	Secretariat/Joint Public Review/Sable Gas Projects	

(a) Temporary member for the purpose of the review of the
Sable Island Gas Projects

Executive Director

Executive Director	Gaétan Caron	299-2700
Admin. Assistant	Jan Dane	299-2701

Office of the Secretary

A/Secretary and Manager Regulatory Operations	Michel Mantha	299-2714
Administrative and Regulatory Assistant	France Beaudry	299-2712
A/Director and Manager of Communications	Karla Reesor	299-2713
Communications Officer	Denis Tremblay	299-2717
Communications Officer	Ross Hicks	299-3930

Project Manager	Bruce Young	(902)496-5128
Public Affairs	Edward Sampson	(902)496-5112
Administrative Assistant	Millie Mason	(902)496-5454
Fax		(902)496-5128
Toll Free Number		1-800-587-0887
(For New Brunswick and Nova Scotia only)		

Finance, Administration and Information Technology Branch

A/Director	Christina Tam	299-3918
Secretary	Lilly Armstrong	299-3692
Manager, User Services (Information Technology)	Ken Wing	299-3602
Project Manager, Electronic Regulatory Filing	Brenda Kenny	299-3565
A/Manager, Network Management	Neil Levette	299-3613

Personnel Branch

Director	Jim Thompson	299-3694
Secretary	Sylvie Joannis	299-3695
Compensation and Staff Relations Manager	Joyce Morrison	299-3699
Staffing and Human Resources Manager	Christine Elder	299-3698

Economics Branch

Director	John Hayward	299-2757
A/Secretary	Colleen Holt	299-3629
Economics and Energy Analysis Division Manager	Bob Modray	299-3157
Regulatory Economics Division Manager	Glenn Booth	299-3621

Energy Commodities Branch

A/Director	Hans H. J. Pols	299-3189
Senior Secretary	Jan McClintock	299-3185
A/Administrative		
Coordinator	Janine Kessler	299-3184

Electric Power

Manager	Ivan Harvie	299-3165
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Gas Export

Manager	Cliff Brown	299-3190
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Gas Market Analysis and Export Surveillance

Manager	Sandra McDonough	299-3186
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Transportation and Oil Exports

A/Manager	Barry Lynch	299-3197
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Energy Resources Branch

Director	Graham Campbell	299-3102
Administrative		
Coordinator	Anne-Marie Howe	299-3517
Secretary	Pat Cormier	299-3103

Crude Oil, NGL and Coal Supply Division

A/Manager	Brian Bowers	299-3122
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Natural Gas Supply Division

Manager	Paul Bourgeois	299-3149
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Reservoir Engineering Division

Manager	Cliff Gemeroy	299-3138
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Geology and Resource Assessment Division

A/Manager	Kevin Goble	299-3140
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Engineering Branch

A/Director	Terry Baker	299-2792
	(up to 13 January)	
	Paul Trudel	299-2768
	(from 14 January)	
Administrative		
Coordinator	Cecilia Cupido	299-2752

Development Engineering and Group II Pipelines

Manager	Terry Baker	299-2792
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Safety Audit

Manager	Franci Jeglic	299-2774
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Accident Investigation

Manager	Jake Abes	299-2777
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Group I Pipelines

Manager	Paul Trudel	299-2768
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Regulatory Development and Safety Studies

Manager	Robert Power	299-2769
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Environment Branch

Director	Ken Sato	299-3675
Administrative		
Coordinator	Paulette Richard	299-3680
Secretary	Geraldine Metcalfe	299-3676

Biological Sciences Division

Manager	Jim McComiskey	299-3677
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Physical Sciences Division

Manager	Oleh Mycyk	299-3678
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Operations Emergency Response and Financial Liability Division

Manager	Jim Anderson	299-3682
---------	--------------	----------

Socio-Economics and Lands

Manager	John Stewart	292-5048
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Environmental Studies Research Funds

Manager	Oleh Mycyk	299-3678
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Financial Regulation Branch

Director	Albert Fung (January)	299-3662
	Steve Brown (February)	299-3653
Administrative		
Coordinator	Janet Soucy	299-3648

Westcoast Energy Inc., Interprovincial Pipe Line Inc., Trans Mountain Pipe Line Limited, Trans-Northern Pipelines Inc. and Cochin Pipe Lines Ltd.

Manager	Albert Fung	299-3662
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TransCanada PipeLines Limited, Gazoduc T.Q.M., Interprovincial Pipe Line (NW) Ltd., Alberta Natural Gas Company Ltd and Foothills Pipe Lines Ltd.

Manager	Steve Brown	299-3653
---------	-------------	----------

Law Branch

A/General Counsel

and Director	Judith Hanebury	292-6497
Counsel	Peter Noonan	299-3552
Secretary	Susan Gudgeon	299-2704
Counsel	Boris de Jonge	292-6495
Counsel	Christine Beauchemin	292-6489
Secretary	Caroline Healy	292-6540
Counsel	Margery Fowke	299-2708
Counsel	Claire McKinnon	299-2707
Counsel	Lori Ann Boychuk	299-2709
Secretary	Vacant	

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament. Over the course of its history, it has played an important role in the development of Canada's energy sector.

The Board's regulatory powers under the National Energy Board Act include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and designated interprovincial and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment, and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by the Ministry of Labour to administer Part II of the *Canada Labour Code*.

National Energy Board
311 Sixth Avenue S.W.
Calgary, Alberta
T2P 3H2

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Calgary (Alberta) T2P 3H2
(403) 292-4800
Télécopieur: (403) 292-5503

Regulatory Agenda

The period covered in this Regulatory Agenda is 1 January to 31 March 1997

Applications Considered by Public Hearing

Oral Hearings

Recent Hearing Decisions

1. TransCanada Power Corporation - International Power Line - EH-1-96

Reasons for Decision dated January 1997; issued on 30 January 1997.

The Board approved the construction of a 69 kilovolt international power line originating in the United States and extending across the international boundary from a point near Wild Horse, Alberta. The proposed power line will extend northward for approximately 12.8 kilometres (8 miles) along the eastern edge of the easement of Alberta Highway No. 41 before turning westerly for approximately 1.6 kilometres (1 mile) along a new access road to the Wild Horse Station of Express Pipeline Ltd.

The facility will enable TransCanada Power to service the electric motors and auxiliary facilities at the Express Pipeline Ltd.'s Wild Horse Pump Station. The estimated cost of the proposed power line is \$725 000.

The Board held a public hearing on the application on 9 and 10 December 1996 in Calgary.

2. PanCanadian Petroleum Limited - Service on Interprovincial Pipe Line Inc. - MH-4-96

Reasons for Decision dated January 1997; issued on 6 February 1997.

The Board approved an application by PanCanadian which requires Interprovincial to receive, transport and deliver natural gas liquids for PanCanadian from Kerrobert, Saskatchewan. PanCanadian will transport the natural gas liquids extracted from its gas processing plant at Empress, Alberta to Kerrobert, where it will tender the liquids to Interprovincial for transportation on its pipeline system.

The Board said in its decision that it remained concerned about the broader issue of open access to Interprovincial for all potential natural gas liquid shippers. Therefore, the Board encouraged Interprovincial and the natural gas liquid industry to cooperate in devising a long-term solution which will provide the necessary services of receipt, transportation and delivery of all natural gas liquids offered for transportation on Interprovincial by all potential natural gas liquid shippers. The Board directed Interprovincial to file a report with it on or before 2 September 1997 which will detail the outcome of such cooperative efforts.

The Board held six days of public hearing on the application from 4 to 13 November 1996 in Calgary.

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PREFACE

The purpose of this quarterly agenda is to provide information on the Board's activities.

Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the National Energy Board Act, R.S.C. 1985, c.N-7, as amended.

"Our purpose is to make decisions that are fair, objective and respected."



MAY 15 1997

National Energy Board

Hearing Decisions Pending

1. *Interprovincial Pipe Line Inc. - Reactivate Line 8 - OH-4-96*

The Board held a public hearing from 27 to 31 January 1997 in London, Ontario on an application by Interprovincial to reactivate its Line 8 oil products pipeline in Ontario.

Interprovincial applied to reactivate approximately 210 kilometres (130 miles) of pipeline to carry oil products from Interprovincial's Sarnia Terminal to Millgrove Junction, north of Hamilton, Ontario. Line 8 is part of Interprovincial's older system operations and was in service until the fall of 1994. It was formally deactivated on 22 November 1995.

2. *Novagas Clearinghouse Pipelines Ltd. - Pipeline Construction - OH-2-96*

The Board held a public hearing from 10 to 12 February 1997 in Calgary on an application by Novagas to construct and operate a natural gas liquids pipeline from northeastern British Columbia to Alberta. The Board held a re-hearing of the application on 12 and 13 March 1997.

Novagas proposes to construct approximately 58 kilometres (35 miles) of natural gas liquids pipeline with associated pumping and metering facilities from the Solex Developments Company Inc. straddle plant at Taylor, British Columbia to a Novagas metering facility in Alberta. The proposed facilities will enable natural gas liquids including ethane, butane and condensate to be delivered to fractionation facilities in Alberta and subsequently delivered to markets.

The estimated cost of the project is \$8 million. Novagas plans for construction to be carried out in two phases starting in June 1997, with an in-service date of 1 April 1998.

3. *Federated Pipe Lines (Northern) Ltd. - Oil and Natural Gas Liquids Pipeline - OH-3-96*

The Board held a public hearing from 24 to 27 February 1997 in Calgary on an application by Federated to construct and operate an oil and natural gas liquids pipeline from Taylor, British Columbia to Belloy, Alberta.

Federated proposes to construct approximately 172 kilometres (106 miles) of pipeline which would transport crude oil, segregated condensate, ethane plus and propane plus from facilities at Taylor to an interconnection with a proposed pipeline at Belloy. The pipeline would have an initial delivery capacity of 8 250 cubic metres (52 000 barrels) per day.

The estimated cost of the pipeline is \$40.8 million and construction would be completed in the winter of 1997/1998.

Hearings Scheduled

1. *Sable Gas Projects - GH-6-96*

A public hearing has been scheduled to consider the Sable Gas Projects applications outlined below. The formal hearing will commence in Halifax, Nova Scotia on 7 April 1997 and will continue in Fredericton, New Brunswick on 28 April 1997. The hearing will then reconvene in Halifax on 26 May 1997. Informal hearings will be held in Moncton, New Brunswick on 4 April 1997 and in Antigonish, Nova Scotia on 5 April 1997.

The public hearing will be held to consider:

- a proposal by Mobil Oil Canada Properties, Shell Canada Limited and others to develop six offshore gas fields in the area of Sable Island. This proposal includes a pipeline to bring the gas to shore, a gas plant at Goldboro, N.S., a pipeline to ship natural gas liquids from the gas plant to Point Tupper, N.S. and storage facilities for the natural gas liquids at Point Tupper; and
- a proposal by Maritimes & Northeast Pipeline Management Ltd. to construct a pipeline to transport the gas from the gas plant through Nova Scotia and New Brunswick to the United States border near St. Stephen, New Brunswick, where the pipeline will connect with a pipeline to be constructed in the United States that will transport the gas to markets the northeastern United States.

On 10 September 1996, a five person Panel was established to conduct the Joint Public Review of the Sable Gas Projects. The Panel was established pursuant to the Agreement for a Joint Public Review of the Sable Gas Projects. This Agreement was developed to avoid jurisdictional overlap and duplication and was announced by the signatories on 17 July 1996. The parties to the agreement are the federal ministers of Environment and Natural Resources, the Nova Scotia ministers of Environment and Natural Resources, the National Energy Board and the Canada-Nova Scotia Offshore Petroleum Board.

The environmental and socio-economic effects of these projects will be considered by the Joint Public Review Panel consisting of five members. Three members of the Panel will also consider certain aspects of these projects as members of the National Energy Board and one member of the Panel will consider certain aspects as a Commissioner for the Canada-Nova Scotia Offshore Petroleum Board.

On 7 March 1997, Trans Québec & Maritimes Pipeline Inc. (TQM) filed intervenor evidence in which it presented an option routing for the pipeline shipping gas from the Sable project through New Brunswick and Quebec. Further, TQM requested that either the proceeding for the Maritimes &

Northeast Pipeline Project (M&NPP) be adjourned, or the decision on the M&NPP application be delayed until such time as TQM can file a pipeline approval application and be heard.

On 17 March 1997, the Joint Panel decided that there will be no adjournment of the hearing. TQM's second request for a delay in the decision on the pipeline application will be dealt with at the close of the proceeding, following final argument. Accordingly, the Joint Panel will proceed to hear evidence and argument relating to TQM's written submission during the hearing.

2. Mr. Robert A. Milne, 3336101 Ontario Limited, c.o.b. as Milne Crushing & Screening - MH-1-97

The Board will hold a public hearing commencing on 24 June 1997 in Thunder Bay, Ontario to consider an application by Robert A. Milne for leave to work the aggregate situated below and adjacent to TransCanada PipeLines Limited's pipeline.

Written Hearings

Hearings in Progress

1. Various Gas Exports - GHW-2-96

The Board is conducting a written hearing on five applications for seven licences to export some 9.5 billion cubic metres (333.4 billion cubic feet) of natural gas per day for periods ranging from 10 to 16 years.

The applications are from Coastal Gas Marketing Company, Enron Capital & Trade Resources Corporation, PanEnergy Marketing Limited Partnership, ProGas Limited for three licences, and United States Gypsum Company.

2. Various Gas Exports - GHW-1-97

The Board is conducting a written hearing on nine applications for 10-year licences to export some 2.9 billion cubic metres (103 billion cubic feet) of natural gas per day.

The applications are from Coastal Gas Marketing Company (two applications) CoEnergy Trading Company, Enron Capital & Trade Resources Corp. (three applications), Ranger Oil Limited, United States Gypsum Company and Westcoast Gas Services Inc.

Hearing Applications Filed

1. Westcoast Energy Inc. - 1997 Tolls Application

On 6 November 1996, Westcoast applied for new tolls it may charge effective 1 January 1997. The Company also requested approval of a new incentive-based methodology for fixing the revenue requirement of mainline natural gas transportation services for the period from 1997 to 2001. Westcoast also indicated its intent to file another application for a new

incentive-based methodology for fixing gathering and processing tolls effective 1 January 1998.

Westcoast is requesting an overall toll increase of 25 percent over tolls charged in 1996.

On 23 December 1996, the Board approved interim tolls effective 1 January 1997 to yield an increase of 10 percent for a typical service movement from Zone 1 to the export point of Zone 4. The Board also decided to hold a combined hearing in which the 6 November 1996 application for 1997 tolls and the forthcoming application for an incentive-based approach to determine gathering and processing tolls would be examined. The Board also announced that it intends to convene a pre-hearing conference as soon as possible after Westcoast's application concerning a new gathering and processing toll-setting methodology has been filed. The Board also expressed its intention to issue a hearing order concerning both applications after the pre-hearing conference.

On 27 January 1997, in response to a letter dated 17 January 1997 from the Board, Westcoast stated that it is negotiating with parties a settlement on toll and tariff matters. The Company undertook to advise the Board and interested parties in a timely fashion, subject to the confidential nature of such discussions, as to how the negotiations would impact the timing of the Board's consideration of issues related to the tolls of Westcoast.

2. Alliance Pipeline Ltd. - Preliminary Submission to Construct a Natural Gas Pipeline

In response to a preliminary submission that was filed by Alliance Pipeline Ltd. at year-end 1996, the Board has initiated the scoping of the environmental assessment that will be required under the Canadian Environmental Assessment Act in respect of the Canadian portion of the proposed Alliance Pipeline project.

The Board is presently consulting with the Canadian Environmental Assessment Agency and other federal departments and agencies on this matter and plans to issue in the near future a draft scope for public comment. Details on how to participate in this process will be provided through public notices and information packages.

Alliance intends to apply in mid-1997 for a certificate of public convenience and necessity to construct and operate the Canadian portion of a natural gas transmission pipeline that would extend from northwestern Alberta to the Chicago, Illinois area. The pipeline would have an initial capacity of up to 37.3 million cubic metres (1.325 billion cubic feet) per day when completed in late 1999, at a total capital cost of about \$3.6 billion (Canadian). The Canadian portion of the project would include the construction of approximately 1 600 kilometres (1 000 miles) of 914 millimetre (36 inch) diameter mainline and eight mainline compressor stations.

The final scoping determinations will provide a framework for the environmental assessment to be conducted by Alliance in support of its eventual application.

3. *Trans Québec & Maritimes Pipeline Inc. - Preliminary Submission to Construct a Natural Gas Pipeline*

On 7 March 1997, TQM filed a preliminary submission advising the Board that the Company and a new legal entity to be called TransMaritimes Gas Transmission (TMGT) intend to submit two separate applications to construct a pipeline from Saint-Nicolas, Quebec to the Sable Gas Processing Plant to be constructed at Goldboro, Nova Scotia:

- in June TQM intends to file an application to construct 309 kilometres (192 miles) of 610 millimetre (24 inch) pipeline from Saint-Nicolas, Québec to Edmundston, New Brunswick. TQM also advised that it proposed to construct 13.5 kilometres (8.4 miles) of 406 millimetre (16 inches) looping from St. Nicolas to Augustin-de-Desmaures, Quebec, install one 7 megawatt electric compressor station at St. Antonin near Rivière du Loup, Quebec, four meter stations at Montmagny, La Pocatière, St. Antonin and Cabano, all in Quebec, and one regulating station at St. Augustin-de Desmaures; and,
- in August TMGT intends to file an application to construct 435 kilometres (270 miles) of 762 millimetre (30 inch) pipeline from Goldboro, Nova Scotia to Fredericton, New Brunswick and 239

kilometres (148 miles) of 610 millimetre (24 inch) pipeline from Fredericton to Edmundston, New Brunswick. TQM also proposes to instal two 6.3 megawatt compressor stations at Chipman and Perth Andover, New Brunswick and two custody transfer meter stations, one at Goldboro and one at Edmundston.

The estimated cost of the projects is \$1.2 billion and the proposed in-service date is 1 November 1999.

4. *TransCanada PipeLines Limited - 1997 Tolls*

On 19 March 1997, TransCanada applied for approval of tolls for the 1997 test year. TransCanada's application provides for a gross revenue requirement of \$1 778 646 000 and is based on a rate of return on common equity of 10.67 percent on a deemed common equity ratio of 30 percent.

TransCanada also applied for an interim toll order, as follows:

- a) the interim tolls in effect under Order TGI-7-96 will be terminated effective 31 March 1997;
- b) new interim tolls will become effective on 1 April 1997, based on the tolls included in the application and shall remain in effect until the Board has released its final decision approving tolls for the 1997 Test Year.

On 26 March 1997, the Board approved TransCanada's application to terminate Order TGI-7-96 and it also approved new interim tolls will become effective on 1 April 1997, based on the tolls included in the application.

Other Applications

The Board had, or has, before it a number of applications and other matters that do not require public hearings. Since the 1 January 1997 issue of the Regulatory Agenda, the matters below have been or are being considered by the Board.

Electricity Matters

Matters Completed

1. *Inland Pacific Energy Services - Electricity Export Permit*

On 6 March 1997, the Board approved an application dated 28 October 1996 from Inland Pacific for permits to export up to 2 000 gigawatt hours of energy on either a firm or interruptible basis. The requested permits are for 10 years with no single export contract to exceed five years in duration.

2. *Multi-Energies USA Inc. - Transfer of Electricity Export Permits to Tractebel Energy Marketing Inc.*

On 17 February 1997, the Board approved an application to transfer Electricity Export Permits EPE-86 and EPE-87, previously transferred from Multi-Energies Inc. to Multi-Energies USA Inc., to Tractebel.

The permits authorize 10-year exports from New Brunswick, Quebec and Ontario of up to 1 000 megawatts of power and up to 8 760 gigawatt hours of energy on a firm or interruptible basis. The permits also authorize the holder to enter into individual contracts of up to five years without having to obtain a permit for each transaction(in advance from the Board.

3. *The Utility-Trade Corp. - Amendments to Electricity Export Permits EPE-76 and EPE-77*

On 14 January 1997, UTC applied for approval to amend Permits EPE-76 and EPE-77 to allow for export of electricity sourced from anywhere in Canada over all international power lines approved by the Board, whereas the original application was for exports using the international power line facilities of Ontario Hydro, Manitoba Hydro, the Saskatchewan Power Corporation and British Columbia Hydro and Power Authority.

On 5 February 1997, the Board decided to seek the views of interested parties on the application.

Matters Under Review

4. *West Kootenay Power - Amendment to Electricity Export Permit EPE-67*

On 22 January 1997, West Kootenay Power applied to amend Export Permit EPE-67 to allow firm sale transfers. Export Permit EPE-67 currently authorizes miscellaneous firm equichanges, meaning any firm exports are returned.

On 21 March 1997, the Board decided, because it was of the view that the request would result in a substantive change from the type of exports currently authorized under the permit, to give an opportunity to interested parties to comment on West Kootenay's application.

Pipeline Matters

Matters Completed

1. *Safety Audit Reports*

The Board has adopted Safety Management Audit Reports for monitoring compliance with the Onshore Pipeline Regulations and the Pipeline Crossing Regulations for the following companies:

Canadian-Montana Pipe Line Company Limited -
21 February 1997

Chief Mountain Co-op Ltd. - 21 February 1997

2. *Canadian Hunter Exploration Ltd. - Pipeline Construction*

On 5 February 1997, the Board approved an application dated 16 December 1996 from Canadian Hunter to construct an 11.1-kilometre (6.9-mile) long pipeline to transport sweet natural gas from a well site located at b-53-A/93-1-16 in British Columbia to Canadian Hunter's existing Elmworth gas gathering system located at 09-22-13-W6M in Alberta. The estimated cost of the project is \$2 556 895.

3. *Foothills Pipe Lines Ltd. - 1998 East Leg Expansion Project*

On 20 January 1997, the Board approved an application by Foothills for the construction of facilities forming part of the Company's Eastern Leg Expansion Project. This expansion would provide about 19.55 million cubic metres (690 million cubic feet) per day of incremental natural gas export capacity at the international border near Monchy, Saskatchewan commencing 1 November 1998, representing a 45 percent increase over the pipeline's existing capacity.

The Board's approval is for an \$18 million expansion of the Foothills decompression / recompression facility at Empress, Alberta. This facility enables the Eastern Leg of the Foothills transmission system to operate at elevated pressures while enabling the extraction of heavier hydrocarbons from the natural gas stream at lower-pressure extraction facilities.

The Northern Pipeline Agency concurrently approved the design for the balance of the \$167 million project, which involves the installation of 113 kilometres (70.5 miles) of 1067 millimetre (42 inch) diameter pipeline and various compression and metering facilities, all downstream of Empress on existing right-of-way and station sites. These facilities have previously been certificated under the Northern Pipeline Act as part of the proposed Alaska Natural Gas Transportation System.

Natural gas transported on the Foothills Eastern Leg is delivered into the Northern Border pipeline system for onward transmission to markets in the United States Midwest.

4. *Interenergy Sheffield Processing Company (Canada) Ltd. - Pipeline Construction*

(Refer to item 1 under Review on page 12)

On 4 February 1997, the Board approved an application dated 31 July 1996 from Interenergy to construct a 7-kilometre (4.3-mile) long pipeline to move natural gas purchased from Amoco Canada Resources Limited. The line will start south of Amoco's Steelman gathering system in Saskatchewan and run south crossing the border near North Portal, Saskatchewan. It will then run southeast for two kilometres in the United States to the Interenergy Sheffield Processing Company Lignite gas gathering system which connects to the Interenergy Sheffield Lignite Gas Plant in North Dakota. The estimated cost of the project is \$959 755.

The Board held a written proceeding to consider the application.

5. *Remington Energy Ltd. - Deactivation of the Mica Pipeline*

On 10 January 1997, the Board approved an application by Remington to deactivate its Mica Pipeline. The Mica Pipeline is a 13-kilometre (8-mile) long sweet natural gas line extending from an abandoned well at 14-27-81-14 W6M in British

Columbia to Remington's Doe River gas gathering system near Pouce Coupé, Alberta.

6. Suncor Inc. Resources Group - Pipeline Construction

On 21 March 1997, the Board approved an application dated 28 February 1997 from Suncor to construct a 12.6-kilometre (7.8-mile) long natural gas pipeline from a gas well in British Columbia located at LSD Boundary Lake A 16-13-84-14 W6M to a pipeline receipt point at the Suncor gas processing plant located at LSD 1-18-84-12 W6M in Alberta. The estimated cost of the project is \$2 million.

7. Section 58 Applications

The Board has approved or is considering several applications under section 58 of the NEB Act involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. These matters may be considered by the Board without a public hearing.

Gas Pipelines

Alberta Natural Gas Company Ltd
Application dated 9 December 1996
Application: Install enclosure around a gas turbine at the Moyie Compressor Station.
Estimated Cost: \$1 080 000
Approved on 15 January 1997
Order Number: XG-A2-3-97

Alberta Natural Gas Company Ltd
Application dated 9 December 1996
Application: Installations and upgrades at Crowsnest, Moyie, Elko, and year round access road to Kilometre Post 52.9.
Estimated Cost: \$562 000
Approved on 14 February 1997
Order Number: XG-A2-08-97

Canadian Hunter Exploration Ltd.
Application dated 16 December 1996
Application: Construct an 11.1-kilometre (6.9-mile) long pipeline from British Columbia to Alberta.
Estimated Cost: \$2 556 895
Approved on 5 February 1997
Order Number: XG-C87-06-97

Foothills Pipe Lines Ltd.
Application dated 17 December 1996
Application: Eleven minor projects in the provinces of Saskatchewan, Alberta and British Columbia.
Estimated Cost: \$2 311 000
Approved on 14 and 21 March 1997.
Order Numbers: XG-F6-12-97 and XG-F6-13-97

Foothills Pipe Lines Ltd.
Application dated 28 February 1997
Application: Upgrade of utility gas odorizers at Compressor Station 394-2 and Meter Station 491 in Saskatchewan.

Estimated Cost: \$22 000
Approved on 24 March 1997.
Order Number: XG-F6-14-97

Interenergy Sheffield Processing Company (Canada) Ltd.
Application dated 31 July 1996
Application: Construct a 7-kilometre (4.3-mile) long pipeline in Saskatchewan.
Estimated Cost: \$959 755
Approved on 4 February 1997
Order Number: XG-J82-45-96

Suncor Inc. Resources Group
Application dated 28 February 1997
Application: Construct a 12.6-kilometre (7.8-mile) long natural gas pipeline from British Columbia to Alberta.
Estimated Cost: \$2 055 414
Approved on 21 March 1997
Order Number: XG-S74-15-97

TransCanada PipeLines Limited
Application dated 9 December 1996
Application: Install a compressor unit at Station 30 near Rapid City, Manitoba.
Estimated Cost: \$31 543 700
Approved on 29 January 1997
Order Number: XG-T1-05-97

TransCanada PipeLines Limited
Application dated 21 January 1997
Application: Replace approximately 1.85 kilometre of pipeline in the Vermilion Bay, Ontario area.
Estimated Cost: \$3 357 000
Approved on 24 January 1997
Order Number: XG-T1-04-97

TransCanada PipeLines Limited
Application dated 14 March 1997
Application: Twenty nine minor projects.
Estimated Cost: \$66 360 000
Approved on 27 March 1997
Order Number: XG-T1-17-97

Westcoast Energy Inc.
Application dated 2 December 1996
Application: Install water system upgrade at the Fort Nelson Gas Plant, tensioners on trash screen assembly at the McMahon Gas Plant and add amine line filter additions at the Sikanni Gas Plant.
Estimated Cost: \$103 000
Approved on 13 January 1997
Order Number: XG-W5-2-97

Westcoast Energy Inc.
Application dated 3 December 1996
Application: Various minor projects.
Estimated Cost: \$29 000 000
Status: On 13 January and 26 March 1997, the Board sent

letters to Westcoast requesting additional information.
Approved some of the projects on 26 March 1997 at an estimated cost of \$3 330 000.
Order Number: XG-W5-9-97

Westcoast Energy Inc.
Application dated 5 December 1996
Application: Construct a meter station at the proposed WGS Highway Gas Plant in the Peace River District.
Estimated Cost: \$1 180 000
Approved on 5 March 1997
Order Number: XG-W5-10-97

Westcoast Energy Inc.
Application dated 4 December 1996
Application: Expansion of the Jedney Meter Station.
Estimated Cost: \$890 000
Approved on 6 February 1997
Order Number: XG-W5-07-97

Westcoast Energy Inc.
Application dated 4 March 1997
Application: Install a slug catcher at the Peggo Booster Station.
Estimated Cost: \$420 000
Approved on 7 March 1997
Order Number: XG-W5-11-97

Westcoast Energy Inc.
Application dated 14 March 1997
Application: Install a ground bed system on the Ekwan pipeline.
Estimated Cost: \$15 000
Approved on 27 March 1997
Order Number: XG-W5-16-97

Oil Pipelines

Interprovincial Pipe Line (NW) Ltd.
Application dated 9 December 1996
Application: Replacement of sixty 205-litre Turbo B fuel storage drums with a 15 000 litre tank.
Estimated Cost: \$22 200
Approved on 14 March 1997
Order Number: XO-J34-08-97

Interprovincial Pipe Line Inc.
Application dated 9 December 1997
Application: Twenty six minor projects.
Estimated Cost: \$12 200 000
On 4 and 10 March 1997, the Board approved 15 of the projects at an estimated cost of \$9 266 400.
Status: On 5 March 1997, the Board sent a letter to Interprovincial requesting additional information.
Order Numbers: XO-J1-2-97 and XO-J1-4-97

Manito Pipelines Ltd.
Application dated 9 January 1997
Application: Installation of additional pumps and metering units.
Estimated Cost: \$1 320 000
Approved on 5 March 1997
Order Number: XG-M42-03-97

Trans Mountain Pipe Line Company Ltd.
Application dated 18 October 1996
Application: Various minor projects.
Estimated Cost: \$ 7 400 000
Approved on 23 December 1996 and 10 March 1997.
Order Numbers: XO-T4-36-96 and XO-T4-05-97

Trans-Northern Pipelines Inc.
Application dated 6 December 1996
Application: Six minor projects.
Estimated Cost: \$2 475 000
Status: Approved some projects on 19 February and 24 March 1997 at a value of \$2 375 000. On 24 March 1997, the Board sent a letter to Trans-Northern requesting additional information.
Order Numbers: XO-T2-1-97 and XO-T2-9-97

Westspur Pipe Line Company Ltd.
Application dated 21 March 1996
Application: Sixty eight asset additions from 1985 to 1995.
Estimated Cost: \$4 798 590
Status: On 31 October 1996, the Board sent a letter to Westspur requesting additional information.

Westspur Pipe Line Company Ltd.
Application dated 22 January 1997
Application: Upgrade existing facilities and repair existing pipelines.
Estimated Cost: \$1 138 000
Status: On 24 March 1997, the Board sent a letter to Westspur requesting additional information.

Matters Under Consideration

8. AEC West, a business unit of AEC Oil and Gas Partnership as Agent for Alberta Energy Company Ltd. - Pipeline Construction

On 24 December 1996, AEC West applied for approval to construct and operate sour and fuel gas pipelines from British Columbia to AEC West's Hythe sour gas plant located at 11-18-74-12 W6M in Alberta to be known as the Tupper-Hythe pipeline. The Tupper-Hythe pipeline would extend 16.7 kilometres (10.4 miles) and consist of a sour gas line and a fuel gas line to be laid in the same ditch. The estimated cost of the project is \$3 457 000.

On 22 January 1997, the Board sent a letter to AEC West requesting additional information.

9. CML Resources Ltd. and Renaissance Energy Ltd. - Sale and Purchase of Inter-Provincial Polyethylene Fuel Gas Pipeline

On 21 November 1996, CML applied for approval to sell and Renaissance applied for approval to purchase an inter-provincial polyethylene fuel gas pipeline. The pipeline, originally owned by Koch Exploration extends for 200 metres (656 feet) crossing the Alberta/Saskatchewan border.

On 9 January 1997, the Board sent a letter to Renaissance requesting additional information.

10. Express Pipeline Ltd. and Express Pipeline Limited Partnership - Transfer of Certificate OC-40

On 4 March 1997, Express Pipeline and Express Pipeline Partnership, in a joint application, applied for approval to transfer Certificate OC-40 from Express Pipeline to Express Pipeline Ltd. as General Partner in trust of Express Pipeline Limited Partnership, to convey Express Pipeline's assets to Express Pipeline Partnership, and for Express Pipeline Partnership to acquire the assets of Express Pipelines.

The pipeline in question is approximately 435 kilometres (270 miles) extending south from Hardisty, Alberta to the international border near Wild Horse, Alberta, as well as associated terminalling, storage and pumping facilities

11. Westspur Pipe Line Company Inc. - Pipeline Construction

On 12 June 1996, Westspur applied for approval a 30-metre (117-feet) long crude oil pipeline from Saskatchewan to Manitoba. The pipeline would connect to a pipeline owned by Virden Pipelines Inc. in Manitoba. Virden would transport crude oil roughly five kilometres from an Anderson Exploration Inc. battery in Manitoba to point of interconnection at the provincial boundary with the Westspur proposed pipeline. The Westspur pipeline would connect to a pipeline owned by Westspur-Producers Pipelines Inc. in Saskatchewan.

Traffic, Tolls and Tariff Matters

Matters Completed

1. Audit Reports

The Board issued Final Audit Reports for the following companies for the fiscal year ending 31 December 1995:

Westcoast Energy Inc. - 10 January 1997

Trans Mountain Pipe Line Company Ltd. - 20 March 1997

2. Rate of Return on Common Equity for 1997

On 14 March 1997, the Board approved a 1997 rate of return on common equity of 10.67 percent for Group 1 pipeline companies under its jurisdiction.

The new rate is the second one set as an adjustment resulting from the Board's multi-pipeline cost of capital (RH-2-94) decision of April 1995. The 1995 rate of return was set at 12.25 percent, while the 1996 rate was set at 11.25 percent.

Prior to determination of the final rate of return for 1997, the Board undertook a review of the annual adjustment mechanism for the approved rate of return on common equity. As a result of this review and comments from interested parties, the Board has eliminated the rounding provision in the adjustment mechanism, effective immediately.

3. Foothills Pipe Lines Ltd. - Tariff Amendments - Capacity Allocation

On 16 January 1997, the Board approved an application dated 5 December 1996 from Foothills for approval of revisions to its approved Tariff to implement an open season process for expansion and available capacity on Zone 9 of its system.

Foothills had stated that the existing queuing procedures on Zone 9 are, in some circumstances, not effective in meeting the requirements of shippers. The queue process can act as a barrier to those parties which require service in a relatively short period and can limit Foothills' ability to respond in a timely fashion. Often, queues contain request which are stale-dated. Further, the open season provides an opportunity to bring the process to the attention of a broader range of potential shippers.

The Board conducted a written proceeding to deal with the application.

4. Foothills Pipe Lines Ltd. - Tariff Amendment - Purchase of Linepack

On 16 January 1997, the Board approved an application dated 19 December 1996 from Foothills for approval of tariff changes to permit the Company to purchase its linepack from its shippers and include the cost of the linepack in the Company's rate base.

The Board conducted a written proceeding to deal with the application.

5. TransCanada PipeLines Limited - Multiple Handshake/Pooling Service (MHPS)

On 25 February 1997, the Board decided to approve a request dated 16 December 1996 from TransCanada for approval to offer MHPS on a permanent basis and to offer the service at additional points on its system.

On 25 July 1996, the Board approved a request from TransCanada to offer MHPS on a pilot basis until 31 December 1996 and only at the Niagara and Iroquois export points. On 16 December 1996, TransCanada applied for approval to offer MHPS on a permanent basis and to offer the service at additional points on its system. TransCanada

also requested approval to continue to offer the MHPS pilot program until the Board disposed of the application to make the service permanent.

MHPS enables shippers and gas marketers/aggregators to aggregate gas volumes at MHPS points by allowing them to preform multiple handshakes or title transfers at those points. Volumes may originate from upstream or downstream (via backhauls) transportation contracts, other MHPS Accounts or a combination of both. Any party wishing to participate in these transactions must have an MHPS Account. An MHPS Account Holder can transfer ownership and control of some or all of that gas to any other MHPS Account Holder at that MHPS point.

The Board conducted a written proceeding to deal with this matter.

6. *TransCanada PipeLines Limited - Interim Reports of the 1998 Tolls Task Force*

TransCanada has applied for approval of several resolutions as contained in the Interim Reports of the 1998 Tolls Task Force.

The Board approved the following:

Resolution Nos.	Date approved
98-01 to 98-03	14 January 1997
98-04 to 98-06	20 February 1997
98-07	Consideration deferred
98-08 to 98-11	27 March 1997

Matters Under Consideration

7. *Canadian Association of Petroleum Producers (CAPP) - Pipeline Workshop*

On 20 November 1996, CAPP requested that the Board establish and release procedures for a workshop at which issues affecting the ability of pipeline companies to best serve the gas industry would be considered in a generic fashion.

On 19 December 1996, the Board sent a letter to interested parties seeking comments on the following issues:

- the usefulness of CAPP's proposed workshop;
- the most appropriate timing for such a workshop;
- potential issues to be addressed at such a workshop; and
- alternatives to CAPP's proposal (i.e. forums other than a workshop) that could be utilized to achieve the desired result.

On 4 March 1997, the Board sent a letter to interested parties asking them to provide the Board with an indication of their interest in participating in a working group whose purpose would be to scope out a workshop and its format. The

Board also set out a suggested mandate for the working group.

8. *Foothills Pipe Lines (Alta.) Ltd., Foothills Pipe Lines (South B.C.) and Foothills Pipe Lines (Sask.) Ltd. - 1997 Operating and Maintenance Expense Budgets*

On 20 December 1996, Foothills Pipe Lines Ltd. applied, on behalf of the above noted subsidiaries, for approval of Operating and Maintenance Expense Budgets for the 12-month period ending on 31 December 1997.

On 20 December 1996, the Board advised Foothills that before making a final decision on the applied-for budgets, it wished to consider Foothills' actual 1996 costs and the analysis of the 1996 operating and maintenance expense variances due to be filed with the Board on 28 February 1997. Therefore, the Board decided to issue an interim order approving interim budgets for the year ending 31 December 1997 equal to 50 percent of the budgets submitted.

9. *Foothills Pipe Line Ltd. - Interim Interruptible Tolls, Zone 9*

On 24 March 1997, Foothills applied for approval of revised interruptible tolls for Zone 9 effective 1 April 1997. The applied-for tolls are 3.3 percent lower than the previously approved tolls. On 25 March 1997, the Board approved the applied-for tolls on an interim basis.

The Board is conducting a written proceeding to deal with the application.

10. *Government of the Northwest Territories (GNWT) - Complaint and Notice of Motion - Tolls and Tariffs of Interprovincial Pipe Line (NW) Ltd. IPL(NW) - Norman Wells Pipeline*

(For more information on this matter refer to item 8 under *Traffic and Toll Matters* on page 9 in issue No. 58 of the *Regulatory Agenda* dated 1 October 1996.)

On 30 December 1996, the Board approved interim tolls for IPL(NW) for 1997.

11. *Morgan Hydrocarbons Inc. - Complaint Re: Murphy Oil Company Ltd. and Manito Pipelines Ltd.*

(For information on this matter, refer to item 9 under *Traffic and Toll Matters* on page 10 in issue No. 58 of the *Regulatory Agenda* dated 1 October 1996 and item 4 under *Appeals, Referral and Review* on page 12 of this issue of the *Regulatory Agenda*.)

12. *PanCanadian Petroleum Limited - Request for Condensate Transportation*

On 17 September 1996, PanCanadian requested that the Board order Amoco Canada Petroleum Company Ltd. to reinstate the condensate transportation service between

Marysville, Michigan and Sarnia, Ontario. In 1995, Amoco removed from condensate service an eight-inch (20.32-centimetre) pipeline crossing the St. Clair River to put it into liquified petroleum gas service. PanCanadian wants the condensate to be transported from the Marysville Fractionator in Michigan to the Novacor facility in Sarnia.

On 24 December 1996, the Board sent a letter to PanCanadian and Amoco informing them that it was considering the possibility of holding an oral public hearing to examine the PanCanadian request. However, the Board advised that it will not take further steps on this matter until such time as PanCanadian provides an update regarding the current status of its request and the status of the U.S. connector pipeline.

13. Trans Québec & Martimes Pipeline Inc. - 1997 Tolls Application

On 27 January 1997, TQM filed an application for approval of tolls it may charge in 1997 to transport natural gas on its pipeline system. As part of its application, TQM filed for approval a 1997 and Multi-Year Tolls Agreement. The Multi-Year Agreement provides, inter alia, for the determination of Operating and Maintenance costs and proposes a yearly tolls application procedure to be followed during the term of the Multi-Year Agreement (1 January 1997 to 31 December 2001).

On 21 February 1997, the Board advised TQM that, given the extent of agreement between the Company and its Interested Parties, it has decided to deal with the application by way of an ex-parte proceeding.

14. TransCanada PipeLines Limited - Interim Tolls Re: Refund from Great Lakes Gas Transmission Limited Partnership

(Refer to item 6 under *Traffic and Toll Matters* on page 9 of the 1 October 1996 issue of the *Regulatory Agenda* - Issue No. 58 and item 14 on page 10 of the 1 January 1997 issue of the *Regulatory Agenda* - Issue No. 59.)

On 19 September 1996, the Board issued its decision on how TransCanada should distribute a refund of approximately \$38 million (U.S.) that it expects to receive from Great Lakes over a period of three years commencing in 1996. The refund relates to excess incremental rates paid by TransCanada to Great Lakes for service during the period 1 November 1991 to 30 September 1995.

On 24 January 1997, the Board approved a request dated 18 November 1996 from TransCanada that its 1996 Firm Transportation, Firm Service Tendered and Storage Transportation Service tolls, approved in TG-2-96, be made interim subject to the disposition of all appeals or successor actions with respect to the Federal Energy Regulatory Commission decision regarding incremental tolling on the Great Lakes system.

15. TransCanada PipeLines Limited - Parking and Loan Service (PALS)

On 21 March 1997, TransCanada applied for approval of the following:

- a) that PALS be provided on a permanent basis at all receipt and delivery points on the TransCanada system;
- b) a Parking and Loan Service Tolls Schedule, a Parking and Loan Service General Terms and Conditions, and a Parking and Loan Service Contract;
- c) the extension of the existing PALS Pilot beyond 31 March 1997 on an interim basis until 30 days after a decision on this application is reached; and
- d) an agreement which amends the PALS Pilot Contract to provide for the interim extension set out in c) above.

In October 1996, TransCanada began offering service under the PALS Pilot Tolls Schedule. Service was offered at the Niagara and Iroquois delivery points on the TransCanada system, allowing parties to either take gas from or provide gas to the system in return for a fee and the agreement that the balance of gas would be repaid at a later date at the same point on the system. TransCanada stated that through the use of Pilot, it determined that PALS is a useful tool in increasing shippers' flexibility and in managing linepack on the system.

On 27 March 1997, the Board approved TransCanada's request to extend the PALS Pilot.

The Board is conducting a written proceeding to deal with this matter.

Frontier Matters

1. Frontier activities for the first quarter of 1997

- (a) Approval was given to Imperial Oil Resources for the following at Norman Wells:
 - (i) to conduct downhole operations, as described in Imperial Oil Resources Limited's "Completions and Workovers" manual for the calendar year 1997 and 1998 pursuant to subsection 19(3) of the *Canada Oil and Gas Conservation and Production Regulations* (approved on 13 February 1997).
 - (ii) to proceed with the Norman Wells field separation project pursuant to paragraph 5(1)(b) of the *Canada Oil and Gas Operations Act* (COGOA) (approved on 19 February 1997).

- (b) Approval was given on 3 March 1997 to Suncor Inc. for two applications to "Alter the Condition of a Well" pursuant to Part VIII of the *Canada Oil and Gas Drilling Regulations* (COGDR):

Sun SOBC BVX et al Garry P-04
Sun CCL BVX et al Garry G-07

- (c) Approval was given on 2 January 1997 to Paramount Resources Ltd. for an "Authority to Drill a Well" pursuant to section 83(1) of the COGDR for the well Paramount et al Bovie C-76.

- (d) Approval was given to Paramount Resources Ltd. for amendments to the "Authority to Drill a Well" as follows:

- (i) to change the casing setting depth pursuant to section 69 of the COGDR for the well Paramount et al Bovie C-76 (approved on 21 January 1997);
- (ii) a waiver for the running of open hole logs pursuant to section 11 of the COGDR for the well Paramount et al Bovie C-76 (approved on 11 March 1997);
- (iii) to drill underbalanced pursuant to section 76(1) of the COGDR for the well Paramount et al Bovie C-76 (approved on 13 March 1997);
- (iv) for the submitted program 25 March 1997 pursuant to section 68(1) of the COGDR for the well Paramount et al Bovie C-76 (approved on 26 March 1997).

- (e) Approval was given on 12 February 1997 to Murphy Oil Company Ltd. for an "Authority to Drill a Well" pursuant to section 83(1) of the COGDR for the well Murphy Discovery Ridge H-55.

- (f) Approval was given on 19 March 1997 to Murphy Oil Company Ltd. for the abandonment of the well Murphy Discovery Ridge H-55 pursuant to Part VIII of the COGDR.

- (g) Approval was given on 14 February 1997 the Inuvialuit Petroleum Corporation for an application to "Alter a Condition of a Well" pursuant to paragraph 5(1)(b) of the COGOA for the well Gulf et al Ikhil K-35.

- (h) Approval was given to the Inuvialuit Petroleum Corporation for the following:

- (i) to amend the re-entry, completion and testing program as submitted

10 February 1997 pursuant to paragraph 5(1)(b) of the COGOA for the well Gulf et al Ikhil K-35 (approved on 10 March 1997);

- (ii) to amend the re-entry, completion and testing program as submitted 17 March 1997 pursuant to section 218(1) of the COGDR for the well Gulf et al Ikhil K-35 (approved on 18 March 1997);

- (iii) to change the name of the well Gulf et al Ikhil K-35 to IPC Ikhil K-35 pursuant to subsection 82(2) of the COGDR (approved on 25 March 1997).

- (i) Approval was given to Unocal Canada Exploration Limited for the following:

- (i) to change the name of the well UCEL Liard K-02 to UCEL OEI Liard K-02 pursuant to subsection 82(2) of the COGDR (approved on 3 January 1997);

- (ii) to forward drill cutting samples and fluid samples to Houston, Texas for a specified period of time pursuant to section 227 of the COGDR (approved on 31 January 1997).

- (j) Five applications for "Geological or Geophysical Operation Authorization" were received. Seven applications were approved pursuant to section 5 of the COGOA as follows:

Company	Area	Approval Date
Ranger Oil	Central Mackenzie, N.W.T.	07 Jan. 1997
Geophysical Services Incorporated	Ft. Liard, N.W.T.	24 Jan. 1997
B.F.R. Geophysical	Ft. Liard, N.W.T.	24 Jan. 1997
B.F.R. Geophysical	Ft. Liard, N.W.T.	24 Jan. 1997
Esso Resources	Norman Wells, N.W.T.	07 Feb. 1997
Stampedex Exploration	Norman Wells, N.W.T.	20 Mar. 1997
Inuvialuit Petroleum Corporation	Caribou Hills, N.W.T.	19 Mar. 1997

Safety Matter

1. TransCanada PipeLines Limited - Pressure Reduction

On 5 February 1997, the Board directed TransCanada to reduce the operating pressure on a section of its pipeline in northern Ontario until safety of the pipeline is verified. The reduction is to 90 per cent of the line's maximum operating pressure.

The Board ordered the pressure reduction to take effect immediately on a section of TransCanada's Line 100-1 between Falcon Lake, Manitoba, west of the Manitoba/Ontario border and Ignace, Ontario, east of Dryden. The section is between mainline valves 45 and 58 and is 274.45 kilometres (170 miles) long. The company had

earlier lowered the pressure by five per cent on a smaller section of 81.72 kilometres (51 miles). The area includes a section near Stewart Lake where a line break on 11 December 1996 caused a pipeline explosion. The line break was caused by general corrosion. Subsequent hydrostatic testing in the area revealed other serious corrosion.

The Board said in a letter to TransCanada that ordering a further reduction in pressure and on a longer section of pipeline

is in the spirit of the Canadian Standards Association (CSA) requirement to implement measures to prevent the occurrence of leaks and breaks until the cause of a failure is addressed.

The pressure is to be reduced until 31 May 1997 or until such time as the integrity of the pipeline is confirmed. This will be done through procedures such as hydrostatic testing and electronic internal inspection.

Appeals, Referral and Review

Appeals

Appeals Completed

1. Attorney General of the Province of Alberta - Pesh Creek Pipeline - OH-1-96

On 11 July 1996, the Province of Alberta filed an Originating Notice of Motion with the Federal Court of Appeal for an order dismissing, or otherwise declining to entertain, the Board's reference to the Court of the jurisdiction question regarding the Pesh Creek Pipeline. In the alternative, the Province requested that the Court quash the reference. (Refer to item 1 under Referral below.)

The application to dismiss or quash the Board's reference was heard in Vancouver commencing 13 January 1996 and was granted by the Court.

2. British Columbia Wilderness Federation - British Columbia Power Exchange Corporation (POWEREX)

On 11 October 1996, the BC Wilderness Federation filed with the Federal Court of Appeal an application for leave to appeal the Board's decision of 13 September 1996 in which it authorized POWEREX to export electricity to Intalco Aluminum Corporation.

On 3 January 1997, the Court refused the application.

3. Rocky Mountain Ecosystem Coalition (RMEC) - Express Pipelines Limited - OH-1-95

On 20 March 1997, the Supreme Court of Canada dismissed an application from RMEC to the for leave to appeal the Federal Court of Appeal's decision dismissing RMEC's application for judicial review of the Joint Review Panel's report regarding the Express Pipeline Project.

Appeals Pending

1. BC Gas Utility Ltd. - Westcoast Energy Inc. - Grizzly Valley Application - GH-6-94

On 3 April 1996, BC Gas applied to the Supreme Court of Canada for leave to appeal the Federal Court of Appeal's

decision of 9 February 1996 in which it decided that the Fort St. John Expansion Project and the Grizzly Valley Expansion Project in northeastern British Columbia were under the Board's jurisdiction.

Leave to appeal was granted by the Supreme Court of Canada on 30 October 1996. A Constitutional Question is being formulated.

2. Canadian Hunter Exploration Ltd. - Tidal Resources Inc.

On 22 August 1996, Canadian Hunter filed with the Federal Court of Appeal an application for leave to appeal the Board's decision of 25 July 1996 in which it decided, as a result of the approval of Tidal Resources' application to construct a pipeline, that it had jurisdiction over certain upstream gathering facilities located within the province of British Columbia which are owned and operated by Canadian Hunter.

On 7 November 1996, the Federal Court of Appeal granted the leave to appeal application.

3. Hydro-Québec - Access to Export Contract

On 23 September 1996, Hydro-Québec filed a Notice of Motion with the Federal Court, Trial Division to review the Board's decision of 4 September 1996, pursuant to section 44(1) of the Access to Information Act, in which the Board decided that a copy of a firm diversity contract between Hydro-Québec and Consolidated Edison would be made available to Mouvement Au Courant as requested.

A preliminary motion will be heard in Montreal on 14 April 1997 regarding the question of whether the Federal Court, Trial Division was appropriately seized of the matter via the Access to Information Act or should it be a judicial review.

4. Morgan Hydrocarbons Inc. - Manito Pipelines Ltd. - Abandonment of Pipeline - MH-1-96

On 3 September 1996, Morgan filed with the Federal Court of Appeal an application for leave to appeal the Board's decision to approve the abandonment of a portion of Manito's pipeline. The Board held that upon abandonment, it will cease to have jurisdiction over both the abandoned line and

the remaining portion of the Manito pipeline. An application to stay the Board's order was also filed with the Court. The Board stayed the abandonment order.

Morgan Hydrocarbons has asked that this appeal be held in abeyance and the Court has agreed to do so for three months. The matter was to be referred back to the Court after 15 March 1997.

5. *Richard Leroux and 417 Auto Wreckers Limited - TransCanada PipeLines Limited*

On 6 May 1996, the Federal Court of Appeal quashed an application by Richard Leroux and 417 Auto Wreckers in which it sought an order for judicial review the Board's decision of 22 December 1995. However, the Federal Court of Appeal granted the application for leave to appeal the same decision. In its decision, the Board found the aggregate application of Richard Leroux did not fall within section 81 of the NEB Act as it did not meet the requirement of "mines or minerals".

On 19 June 1996, Richard Leroux and 417 Auto Wreckers Limited filed a notice of appeal with the Federal Court to appeal the Court's decision to quash the application for judicial review. The Federal Court of Appeal dismissed a motion filed by counsel for Mr. Leroux in which he sought release of documents for which the Board has claimed solicitor/client privilege.

Referral

1. *Novagas Clearinghouse Pipeline Ltd. - Pesh Creek Pipeline - OH-1-96*

(Refer to item 1 under *Appeals Completed* above.)

In January 1996 the Board approved an application from Novagas to construct and operate a 16.5-kilometre (10-mile)

long natural gas pipeline which will transport natural gas from a proposed separation, compression and metering facility in northeastern British Columbia to a proposed metering facility in northwestern Alberta.

On 14 June 1996, the Board referred to the Federal Court of Appeal a jurisdictional question over certain upstream and downstream facilities connecting to the applied-for Novagas facilities. On 13 January 1997 the Federal Court quashed the referral.

Review Completed

1. *TransGas Limited - Interenergy Sheffield Processing Company (Canada) Ltd. - Pipeline Construction*

(Refer to item 4 under *Pipeline Matters, Matters Completed* on page 5.)

On 7 February 1997, TransGas applied for review and variance of the Board's decision dated 4 February 1997 in which it approved an application by Interenergy to construct a 7-kilometre long pipeline. TransGas also applied for an order immediately staying the Board's decision pending consideration of its application for review and variance.

On 12 February 1997, the Board granted the request for a review because it was of the view that a doubt had been raised as to the correctness of its decision. With respect to the application for a stay, the Board was not convinced that an immediate stay of proceedings was required.

The Board conducted the review by way of written submissions.

On 27 March 1997, the Board decided that it would not vary the order issued to Interenergy to construct the pipeline.

Amendments to Regulations

Amendments to the Board's regulations completed or in various stages of preparation, include the following:

1. *Onshore Pipeline Regulations*

On 8 April 1997, the Board forwarded a new draft consolidation of the *Onshore Pipeline Regulations* to the Department of Justice for legal review.

The Regulations specify the requirements for the protection of property and the environment and safety of the public and company employees in the design, construction, operation, maintenance and abandonment of an onshore pipeline. The current regulations have been in effect since June, 1989.

2. *Offshore Pipeline Regulations*

The *Offshore Pipeline Regulations* will specify the requirements for the protection of property and the environment and the safety of the public and the company's employees in the design, construction, operation and abandonment of an offshore pipeline.

The Regulations are at the drafting stage.

3. *National Energy Board Cost Recovery Regulations*

On 6 February 1997, the Board approved, for transmittal to Treasury Board, a proposed amendment to Schedule I of the *Cost Recovery Regulations* to include Express Pipeline Ltd. as a large pipeline company for the purposes of cost recovery.

Other amendments to the *Cost Recovery Regulations* have been drafted and are being put forward for Treasury Board approval. Among other things, these amendments will eliminate the need to amend the Schedules to include new companies as new generic definitions will encompass all companies subject to cost recovery. Other changes will result in greater efficiencies to the cost recovery processes.

4. National Energy Board Electricity Regulations

The Regulations were published in Part II of the *Canada Gazette* on 19 March 1997.

The Regulations set out, among other things, information requirements for applications in respect of electricity exports and international power line facilities, and the terms and conditions of export and facilities permits.

5. National Energy Board Pipeline Crossing Regulations, Part I

On 12 February 1997, the Board approved, for submission to the Privy Council Office for registration and subsequent promulgation in the *Canada Gazette*, Part II, a proposed amendment to the Regulations. With the enactment of this amendment, any person who meets the criteria for an exemption may enter into an agreement with a pipeline company to permit the crossing of a pipeline. The Board will cease to have the power to require the filing of an application for a crossing order in cases where the requirements for an exemption are fully met.

Project Manager: Peter Noonan

6. Regulations Pertaining to Frontier Oil and Gas Activities

The process of creating and amending regulations pertaining to frontier oil and gas activities, under the provisions of the

Canada Oil and Gas Operations Act, proclaimed in force in September 1992, is continuing. At present, the regulatory agenda is as follows:

Regulations being drafted

Canada Oil and Gas Occupational Safety and Health Regulations - Amendments

Canada Offshore Oil and Gas Drilling Regulations - Re-structuring

Canada Oil and Gas Production and Conservation Regulations - Amendment

Nova Scotia Offshore Spills and Debris Regulations

Newfoundland Offshore Area Petroleum Occupational Safety and Health Regulations

Nova Scotia Offshore Area Petroleum Occupational Safety and Health Regulations

Physical Environmental Guidelines for Drilling Programs on Frontier Lands

Pursuant to an administrative arrangement between the Board and Natural Resources Canada, the Board is also working with the provinces of Newfoundland and Nova Scotia in drafting federal and provincial versions of the preceding regulations which pertain to the offshore areas under joint resource management accords.

Other Matters

Natural Gas Market Assessment Report

On 30 January 1997, the Board issued a Natural Gas Market Assessment report entitled: *Long-Term Canadian Natural Gas Contracts: An Update*. It updates a report on the same subject issued in August 1992 which covered the period from 1985 to 1991.

This report provides a comprehensive descriptive analysis of the changes which have occurred in the nature of long-term contracts governing the sale of western Canadian gas in the domestic and export markets from 1991 to 1995. The study analyses contract terms and conditions; it does not analyze gas flows or prices.

Administrative Matters

Reorganization

Effective 1 April 1997, the Board has reorganized its internal structure into five new Business Units. The change in organizational structure creates a streamlined regulatory agency that will continue to deliver, and be responsive to its publics, other jurisdictions and industry.

The internal transformation will produce a dynamic organization that is more efficient, cost-effective, and flexible. A strong team emphasis will enable the Board to lead and adapt to ongoing changes.

Five Leaders have been chosen to strategically manage their respective Business Units. Together with Gaétan Caron, the

Executive Director, they will form the Board's executive team (for a listing of the Business Leaders and Team leaders, see Appendix II).

Business Unit Responsibilities (among others)

Applications - Application assessment and process relating to facilities, tolls and exports including environmental assessments and financial surveillance.

Operations - Pipeline safety and environmental monitoring, and all matters related to exploration and production in Frontier areas.

Commodities - Reserve assessment, market studies, electricity, industry monitoring and supply projections.

Information Management - Records management, computer services, the library, regulatory and corporate communications.

Corporate Services - Legal consultation, human resources, financial and administrative advice to the Board.

Electronic Regulatory Filing (ERF)

ERF Phase II Proof of Concept and Pilot Projects

The Proof of Concept was launched on 13 December 1996 and is the primary focus of ERF activities in the first half of 1997. During this phase, ERF participants are testing the standardized document models developed in Phase I to prove they are workable for creating, exchanging and reusing regulatory information. The Proof of Concept will provide participants with hands-on experience using ERF technology, including the document repository which will eventually contain all electronic regulatory filings.

The Proof of Concept will consist of an electronic re-enactment of a previously-held proceeding. It spans the entire hearing process from the application stage, to the filing of evidence and production of Reasons for decision. It will involve matters that fall within National Energy Board jurisdiction as well as that of the Ontario Energy Board, our partner in the ERF initiative. Selected portions of the document set associated with the hearing will be used to prove the viability of ERF document models in a "real-life" regulatory context.

Improvements expected from a full implementation of the ERF initiative will be itemized in a cost benefit analysis due upon completion of the Proof of Concept. A written assessment of the impacts associated with ERF implementation within participating organizations will also be prepared.

The detailed test plan prepared for the Proof of Concept phase covers training and technical support for participants. As part of the transition to full-scale implementation in participating organizations, the group will identify issues to be resolved, estimated human resource requirements, hardware

and software requirements, and the timing of ERF implementation.

Authoring workshops associated with the Proof of Concept will be held in Toronto from April 7-11 and in Calgary from April 21-25. During the workshops, regulatory personnel from the NEB, OEB and industry organizations will create regulatory documents using revised document models from ERF Phase I and a variety of Standard Generalized Markup Language software products.

Speeches

The Continuing Natural Gas Revolution, a presentation by R. Priddle, Chairman, to The Fifth CERI North American Natural Gas Conference held in Calgary, Alberta on 24 and 25 February 1997.

Canadian Electricity Deregulation Update - Watt's Up Doc?, a presentation by J. A. Snider, Board Member, to the Enerdata's PowerFair conference and Trade Show held in Chicago on 5 March 1997 (slides only).

Electricity Restructuring: Is it Working? - Federal Regulator's Musings, a presentation by J. A. Snider, Board Member, to the Independent Power Producers' Society of Alberta Annual Conference and Trade Show held in Banff, Alberta on 18 March 1997.

Convergence Between Gas and Electricity, a presentation by Gaëtan Caron, Executive Director, to the Déjeuner-causerie de l'Association Pipeline et du Club d'électricité du Québec in Montreal, Quebec on 20 March 1997.

Documents Issued - 1 January to 31 March 1997

Reasons for Decision

TransCanada Power Corp. - Facilities - EH-1-96 - Reasons for Decision dated January 1997; issued on 30 January 1997.

PanCanadian Petroleum Limited - Request for Service - MH-4-96 - Reasons for Decision dated February 1997; issued on 6 February 1997

Reports

Intervenor Funding Options Report - Responses by Participants - December 1996

Natural Gas Market Assessment - Long-term Canadian Natural Gas Contracts: an Update - January 1997

Instructions for Filing

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 311 - Sixth Avenue S.W., Calgary, Alberta, T2P 3H2; Telephone (403) 292-4800; Fax (403) 292-5503.

Appendix I lists the number of copies required for the different types of applications.

Telephone Numbers

A current list of Board Members and key staff telephone numbers is attached as Appendix II.

Web Site

On 16 December 1996, the Board launched its new Internet site, providing electronic access on the World Wide Web to a wide range of documents and information services. The bilingual site provides background on the Board's history, its regulatory role and mandate, an explanation of the public hearing process and how the public can participate. In addition, it offers full-text versions of news releases, the quarterly Regulatory Agenda, overviews of hearing decisions and current statistical reports for up-to-date details on news that matters to the regulatory community.

Internet users are invited to visit the Board's interactive home page at www.neb.gc.ca. Feedback on the site is welcome and more on-line information services will be added on a regular basis.

Board Document System (BDS)

The Board has a BDS system available to the public, offering direct access to an electronic library of regulatory documents. Document contents may be searched on-line with full-text search capabilities. Presently, the system contains

Reasons for Decision dating from 1985 and hearing transcripts from 1991. Other document types will be added gradually, as they become available in standardized electronic format. The BDS may be used from remote locations or at the Board's Calgary office. The only cost to users will be long-distance telephone charges, if any, to connect to the system.

All users are asked to register with the Board and sign a public access agreement. This agreement explains the responsibilities of the user and outlines relevant terms and conditions. Request for a user account may be made by mail, facsimile or telephone to our Regulatory Support Office (403) 292-4800. For more information, a brochure on the Board Document System is also available to interested parties.

Mailing Lists

If you are not already on the Board's mailing lists and wish to be added thereto, please write to the Secretary of the Board providing your mailing address and the type of material you would be interested in receiving. The following are the Board's current mailing lists:

- L1: Everything the Board issues
- L4: Oil and gas matters
- L5: Electrical matters
- L6: Annual Report only
- L7: News Releases only
- L8: Regulatory Agenda only
- L9: Environmental matters

M. L. Mantha
A/Secretary,
National Energy Board

For copies of documents contact:
For information contact:

Regulatory Support Office (403) 292-4800
Denis Tremblay (403) 299-2717

Appendix I

Number of Copies Required for Filings

Applicants are requested to provide the following number of copies of their applications or other filings to the National Energy Board. For matters not listed below, one copy is sufficient.

Type of Application or Filing	No. of Copies	Type of Application or Filing	No. of Copies
(a) Hearing Matters		(iii) Oil Exports	
(i) Certificates		Registered Oil Export Orders	05
Pipeline	25	(iv) Tolls	
Power Line	20	Class I and II Adjustments	20
(ii) Export Licence		Interim Orders	20
Natural Gas	25	Operating and Maintenance Budgets	20
Electricity	20	Changes in Depreciation Rates	20
(iii) Tolls	25	Quarterly Surveillance Reports	20
(iv) Land Acquisitions	20	New or Changed Tariffs	20
(b) Non-Hearing Matters		Domestic Gas Sales Contracts and Amendments	20
(i) Natural Gas		Amendments to Tariff Orders	20
Export Orders	20	(v) Pipelines and Power Lines	
Orders for Transmission Access	20	Permits	15
Licence Amendments	20	Exemption Orders Pipelines (Sec. 58)	20
Amendments to Export Contracts	20	Certificate Amendments	20
Licence Revocations	20	Leave to Sell or Transfer	20
(ii) Electricity Exports		Incident Reports	20
Permits	15	(vi) Other	
Licence or Permit Amendments	15	Application for Review	20
Licence or Permit Revocations	15		

The number of copies of interventions or submissions to be provided in response to applications will be specified in the applicable hearing order. Private individuals who would find the provision of multiple copies an undue financial burden may file one copy, with a request to be excused from multiple filing.

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 311 - Sixth Avenue S.W., Calgary, Alberta, T2P 3H2: Telephone (403) 292-4800; Fax (403) 292-5503.

Appendix II

Selected List of Telephone Numbers

(Area Code 403)

General Information	292-4800
Incident Reporting Number	1-800-632-1663
	1-800-NEB-1-ONE
Bulletin Board System	299-2751
Bulletin Board System Helpline	
9:30 to 10:30 a.m. (MT)	299-3919
Web Site	www.neb.gc.ca

Board Members

Chairman	Roland Priddle	299-2724
Chairman's Assistant	Esther Binder	299-2725
Secretary	Carmen Morin	299-2726
Vice-Chairman	Kenneth Vollman	299-2730
Secretary	Lillian Handelman	299-2741
Member	Anita Côté-Verhaaf	299-2739
Secretary	Lillian Handelman	299-2741
Member	Roy Illing	299-2729
Secretary	Mona Butler	299-2728
Member	Robert Andrew	299-2736
Secretary	Mona Butler	299-2728
Member	Judith Snider	299-2737
Secretary	Vacant	
Temporary Member ^(a)	Robert Fournier	(902)496-5112
	Secretariat/Joint Public	
	Review/Sable Gas Projects	

(a) Temporary member for the purpose of the review of the Sable Island Gas Projects

Executive Director

Executive Director	Gaétan Caron	299-2700
Admin. Assistant	Jan Dane	299-2701

Professional Leaders

Professional Leader, Economics	Vacant	
Professional Leader, Energy Resources	Graham Campbell	299-3102
Professional Leader, Engineering	Vacant	
Professional Leader, Environment	Ken Sato	299-3675

Information Management Business Unit

Business Unit Leader	Scott Richardson	299-2711
As/Secretary and Team Leader Regulatory Operations		
	Michel Mantha	299-2714
Technical Project Manager, Electronic Regulatory Filing		
	Neil Levette	299-3613

Communications

Team Leader	Karla Reesor	299-2713
Communications Officer	Denis Tremblay	299-2717
Communications Officer	Ross Hicks	299-3930
Communications Officer	Ruth Grenville	299-2719
General Information and Board Distribution Centre		292-4800

Library

Team Leader	Shawn Aitken	299-3932
Library, Information		299-3561

Information Technology

Team Leader, Operations	Kevin Campbell	299-3547
Team Leader, Planning and Development	Vacant	

Document Production

Team Leader	Vacant
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Records and Mail Management

Team Leader	Rita Loughlin	299-3640
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Halifax Office - Secretariat for the Joint Public Review of the Sable Gas Projects

Project Manager	Bruce Young	(902) 496-5128
Public Affairs	Edward Sampson	(902) 496-5112
Administrative Assistant	Millie Mason	(902) 496-5454
Toll Free Number		1-800-587-0887

Applications Business Unit

Business Unit Leader Brenda Kenny 299-3565

TransCanada PipeLines Limited and Trans Quebec & Maritimes Pipeline Inc.

Team Leader Steve Brown 299-3653

Westcoast Energy Inc. and Trans Mountain Pipe Line Company Ltd.

Team Leader Hans Pols 299-3189

Interprovincial Pipe Line Inc., Trans-Northern Pipelines Inc. and Express Pipeline Ltd.

Team Leader Christine van Egmond 299-2783

Alberta Natural Gas Company Ltd, Foothills Pipe Lines Ltd. and Alliance Pipeline Ltd.

Team Leader Jim Fox 299-3628

Cochin Pipe Lines Ltd., Part VI and Natural Gas Liquids

A/Team Leader Gurdeep Gill 299-3659

Commodities Business Unit

Business Unit Leader Terrance Rochefort 299-3646

Commodity Convergence

Team Leader Jawed Aziz 299-3630

Gas

Team Leader Bill Bingham 299-3198

Oil

Team Leader Barry Lynch 299-3197

Electricity

A/Team Leader Ivan Harvie 299-3165

Resource Assessment

Team Leader Jim Davidson 299-3135

Operations Business Unit

Business Unit Leader John McCarthy 299-2766

Health, Safety and Environment

Team Leader Wayne Marshall 299-3901

Frontier

Team Leader Terry Baker 299-2792

Regulatory Development

Team Leader Bharat Dixit 299-3903

Pipeline Accident Investigation

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Secretary Caroline Healy 292-6540

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Counsel Claire McKinnon 299-2707

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Manager Joyce Morrison 299-3699

Staffing and Human Resources

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Administration Services

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*A new structure for the Corporate Services Business Unit is still being finalized.

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament. Over the course of its history, it has played an important role in the development of Canada's energy sector.

The Board's regulatory powers under the National Energy Board Act include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and designated interprovincial and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment, and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by the Ministry of Labour to administer Part II of the *Canada Labour Code*.

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Regulatory Agenda

The period covered in this Regulatory Agenda is 1 April to 30 June 1997

Applications Considered by Public Hearing

Oral Hearings

Recent Hearing Decisions

1. **Federated Pipe Lines (Northern) Ltd. - Oil and Natural Gas Liquids Pipeline - OH-3-96**

Reasons for Decision dated April 1997; issued on 10 April 1997.

The Board approved an application by Federated to construct approximately 172 kilometres (106 miles) of pipeline to transport crude oil, segregated condensate, ethane plus and propane plus from facilities at Taylor, British Columbia to an interconnection with a proposed pipeline at Belloy, Alberta. The pipeline will have an initial delivery capacity of 8 250 cubic metres (52 000 barrels) per day. The estimated cost of the pipeline is \$40.8 million and construction will be completed in the winter of 1997/1998.

The Board held a public hearing on the application from 24 to 27 February 1997 in Calgary.

2. **Interprovincial Pipe Line Inc. - Reactivate Line 8 - OH-4-96**

Reasons for Decision dated April 1997; issued on 17 April 1997.

The Board approved an application by Interprovincial to reactivate approximately 210 kilometres (130 miles) of pipeline to transport oil products from Interprovincial's Sarnia Terminal to Millgrove Junction, north of Hamilton, Ontario. Line 8 is part of Interprovincial's older system operations and was in service until the fall of 1994. It was formally deactivated on 22 November 1995.

The Board held a public hearing on the application from 27 to 31 January 1997 in London, Ontario.

3. **Novagas Clearinghouse Pipelines Ltd. - Natural Gas Liquids Pipeline - OH-2-96**

Reasons for Decision dated April 1997; issued on 1 May 1997.

The Board approved an application by Novagas to construct approximately 58 kilometres (35 miles) of natural gas liquids pipeline with associated pumping and metering facilities from the Solex Developments Company Inc. straddle plant at Taylor, British Columbia to a Novagas metering facility in Alberta. The facilities will enable natural gas liquids including ethane, butane and condensate to be delivered to fractionation facilities in Alberta and subsequently delivered to markets. The estimated cost of the project is \$8 million. Novagas plans for construction to be carried out in two

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PREFACE

The purpose of this quarterly agenda is to provide information on the Board's activities.

Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the National Energy Board Act, R.S.C. 1985, c.N-7, as amended.

"Our purpose is to make decisions that are fair, objective and respected."



phases starting in June 1997, with an in-service date of 1 April 1998.

The Board held a public hearing on the application from 10 to 12 February 1997 in Calgary. The Board held a re-hearing of the application on 12 and 13 March 1997.

Hearing Decisions Pending

1. Amoco Canada Petroleum on behalf of Dome Kerrobert Pipeline Ltd. and PanCanadian Kerrobert Pipeline Ltd. - Natural Gas Liquids Pipeline - OH-1-97

The Board held a public hearing on 16 June 1997 in Calgary to consider an application by Amoco, on behalf of Dome and PanCanadian, to construct a natural gas liquids pipeline in southwestern Saskatchewan.

Amoco applied to construct a 155 kilometre (96 mile) 273.1 millimetre (10 inch) natural gas liquids pipeline extending from the NGL extraction plants at Empress, Alberta to Interprovincial Pipe Line Inc.'s transmission line at Kerrobert, Saskatchewan. The pipeline would transport all of the natural gas liquids from the Amoco, Empress Gas Liquids Joint Venture and PanCanadian extraction plants plus a portion of the liquids produced at the Petro-Canada plant. The estimated cost of the project \$23 million and the projected in-service date is November 1997.

The expansion project is to twin the existing 219.1 millimetre (eight inch) pipeline to meet forecasted increases in NGL production from the Empress extraction facilities. The new pipeline will increase throughput capability for NGLs by approximately

7 937 cubic metres (50,000 barrels) per day to 18 577 cubic metres (117,000 barrels) per day from 10 640 cubic metres (67,000 barrels) per day.

2. Westcoast Energy Inc. - 1997 Tolls - RH-2-97

The Board held a public hearing from 23 to 27 June 1997 in Vancouver on an application from Westcoast for tolls the Company may charge for the period 1 January 1997 to 31 December 2001. In this application Westcoast is also seeking approval of incentive-based methodologies for setting tolls over the same period.

Westcoast filed an amended application for final 1997 tolls dated 20 May 1997. The amended application reflects a multi-year incentive toll settlement negotiated between the Company, its shippers and other stakeholders concerning tolls and tolling methodologies. Westcoast has been operating on interim tolls since 1 January 1997.

The hearing also addressed issues related to the recovery of expenditures incurred by Westcoast in the Fort St. John and Grizzly Valley expansion projects.

Hearing in Progress

1. Sable Gas Projects - GH-6-96

A public hearing has been under way since 7 April to consider the Sable Gas Projects applications. The formal hearing commenced in Halifax, Nova Scotia on 7 April 1997 and continued in Fredericton, New Brunswick on 28 April 1997. The hearing reconvened in Halifax on 26 May 1997. Informal hearings were held in Moncton, New Brunswick on 4 April 1997 and in Antigonish, Nova Scotia on 5 April 1997.

The public hearing is being held to consider:

- a proposal by Mobil Oil Canada Properties, Shell Canada Limited and others to develop six offshore gas fields in the area of Sable Island. This proposal includes a pipeline to bring the gas to shore, a gas plant at Goldboro, Nova Scotia, a pipeline to ship natural gas liquids from the gas plant to Point Tupper, Nova Scotia and storage facilities for the natural gas liquids at Point Tupper; and
- a proposal by Maritimes & Northeast Pipeline Management Ltd. (M&NPP) to construct a pipeline to transport the gas from the gas plant through Nova Scotia and New Brunswick to the United States border near St. Stephen, New Brunswick, where the pipeline will connect with a pipeline to be constructed in the United States that will transport the gas to markets the northeastern United States.

On 10 September 1996, a five person Panel was established to conduct the Joint Public Review of the Sable Gas Projects. The Panel was established pursuant to the Agreement for a Joint Public Review of the Sable Gas Projects. This Agreement was developed to avoid jurisdictional overlap and duplication and was announced by the signatories on 17 July 1996. The parties to the agreement are the federal ministers of Environment and Natural Resources, the Nova Scotia ministers of Environment and Natural Resources, the National Energy Board and the Canada-Nova Scotia Offshore Petroleum Board.

The environmental and socio-economic effects of these projects will be considered by the Joint Public Review Panel consisting of five members. Three members of the Panel will also consider certain aspects of these projects as members of the National Energy Board and one member of the Panel will consider certain aspects as a Commissioner for the Canada-Nova Scotia Offshore Petroleum Board.

On 7 March 1997, Trans Québec & Maritimes Pipeline Inc. (TQM) filed intervenor evidence in which it presented a routing option for the pipeline shipping gas from the Sable project through New Brunswick and Quebec. Further, TQM

requested that either the proceeding for the M&NPP be adjourned, or the decision on the M&NPP application be delayed until such time as TQM can file a pipeline approval application and be heard.

On 17 March 1997, the Joint Panel decided that there will be no adjournment of the hearing. TQM's second request for a delay in the decision on the pipeline application will be dealt with at the close of the proceeding, following final arguments. Accordingly, the Joint Panel decided to proceed to hear evidence and argument relating to TQM's written submission during the hearing.

Hearing Stayed

1. Mr. Robert A. Milne, 3336101 Ontario Limited, c.o.b. as Milne Crushing & Screening - MH-1-97

On 28 April 1997, the Board stayed the public hearing that was to commence on 24 June 1997 in Thunder Bay, Ontario to consider an application by Robert A. Milne for leave to work the aggregate situated below and adjacent to TransCanada PipeLines Limited's pipeline.

Hearings Scheduled

1. TransCanada PipeLines Limited - 1997 Tolls - RH-1-97

The Board will hold a public hearing on an application by TransCanada for tolls the Company may charge effective 1 January 1997. Phase 1 of the hearing will begin on 28 July 1997 in Calgary and Phase 2 will begin on 19 August 1997, also in Calgary. TransCanada has been operating on interim tolls since 1 January 1997 while awaiting a decision on its 1997 Toll Application which was filed in accordance with the Incentive Cost Recovery and Revenue Sharing Settlement.

The Board received a letter of complaint on 15 April 1997 from The Consumers' Gas Company Ltd. (Consumers') regarding the allocation units used by TransCanada to calculate tolls. Consumers' indicated that it wished to negotiate with TransCanada to resolve the matter. However, on 30 April 1997, Consumers' advised the Board that a resolution could not be reached on this matter.

In addition, the Board also received an application from TransCanada for approval to enter into a combination of storage, balancing and transportation contracts, and to purchase "start up" gas to replace the Firm Service Tendered (FST) service which Consumers' and Union Gas Limited have elected to convert to Firm Transportation (FT) from FST.

Furthermore, on 4 June 1997, TransCanada notified the Board of its intention to seek approval for tariff changes which will affect contract renewal rights of all FT, FST and

Storage Transportation Service shippers in the upcoming hearing.

The Board therefore decided to hold a public hearing on these issues as well as any questions regarding the revisions to TransCanada's 1997 Tolls Application. The Board determined that the allocation unit issue, FST Conversion application and matters in respect of TransCanada's 1997 Tolls Application will be heard in Phase 1 of the Hearing. The contract renewal rights issue will be heard in Phase 2 of the hearing.

TransCanada's rate of return on common equity of 10.67 percent for 1997 has already been approved by the Board.

2. Interprovincial Pipe Line Inc. - Reversal of Line 9 - OH-2-97

The Board will hold a public hearing commencing on 5 August 1997 in Calgary and continuing on 11 August 1997 in London on an application from Interprovincial to reverse the direction of flow in the Company's pipeline between Montreal and Sarnia. The pipeline is known as Interprovincial's Line 9.

Interprovincial is proposing to reverse the direction of flow in Line 9 which will allow crude oil to be transported in an east to west direction from Montreal to major refining centres in Ontario. The crude oil will be imported into Canada through the Portland/Montreal pipeline system. The estimated cost of reversing the flow on the 832 kilometre (517 mile) system is approximately \$89 million with a planned in-service date of 1 April 1998.

Written Hearings

Recent Hearing Decisions

1. Various Gas Exports - GHW-2-96

Reasons for Decision dated April 1997; issued on 23 April 1997.

The Board approved five applications for seven licences to export some 9.5 billion cubic metres (333.4 billion cubic feet) of natural gas for periods ranging from 10 to 16 years.

The applications were from Coastal Gas Marketing Company, Enron Capital & Trade Resources Corporation, PanEnergy Marketing Limited Partnership, ProGas Limited (three licences) and United States Gypsum Company.

2. Trans Québec & Maritimes Pipeline Inc. (TQM) - Multi-year Tolls Agreement - RHW-1-97

Reasons for Decision dated April 1997; issued on 30 April 1997.

The Board approved an incentive-based settlement negotiated by TQM and interested parties. The multi-year tolls agreement forms the basis for the calculation of TQM's revenue

requirement for a five-year period from 1 January 1997 to 31 December 2001. It also provides for a yearly tolls application procedure to be followed during the term of the Agreement.

The approved settlement provides for a revenue requirement of \$65,926,000 and an overall rate of return on rate base of 9.85% for the 1997 Test Year.

Hearing in Progress

1. Various Gas Exports - GHW-1-97

The Board is conducting a written hearing on nine applications for 10-year licences to export some 8.0 million cubic metres (282.3 million cubic feet) of natural gas per day.

The applications are from Coastal Gas Marketing Company (two applications), CoEnergy Trading Company, Enron Capital & Trade Resources Corp. (three applications), Ranger Oil Limited, United States Gypsum Company and Westcoast Gas Services Inc.

Hearing Applications Filed

1. Alliance Pipeline Ltd. - Natural Gas Pipeline

On 3 July 1997, Alliance filed an application for approval of (i) a certificate of public convenience and necessity to construct and operate the Canadian portion of a proposed natural gas transmission system from northeastern British Columbia and northwestern Alberta to the midwest United States and (ii) related toll and tariff authorizations.

The Canadian portion of the Alliance Pipeline Project would consist of (i) approximately 1565 kilometres (970 miles) of mainline and related facilities from a point near Gordondale, Alberta to a point on the Canada / U.S. border near Elmore, Saskatchewan and (ii) approximately 770 kilometres (480 miles) of lateral pipelines and related facilities in British Columbia and Alberta, at an estimated capital cost of \$1.9 billion. The U.S. portion of the mainline, to be constructed by Alliance Pipeline L.P., would extend approximately 1430 kilometres (890 miles) to the system's terminus near Chicago, Illinois. The Canadian and U.S. mainlines would be principally 914 millimetres (36 inches) in diameter and the Canadian laterals would range in size from 114 to 610 millimetres (4 to 24 inches).

The system would be capable of delivering 37.5 million cubic metres (1.325 billion cubic feet) of natural gas per day on a firm basis when completed in late 1999.

The application was made pursuant to the National Energy Board Act and is also intended to address the requirements of the Canadian Environmental Assessment Act. The scope of the environmental assessment required to be conducted by Alliance was released by the Board on 19 June 1997 based

on preliminary information which had been filed by the company.

2. Crowsnest Pipeline Project (CNP) - Natural Gas Pipeline

On 26 May 1997, CNP, on behalf of ATCO Gas Pipelines a division of ATCO Gas Services Ltd. and Shell Canada Limited (Shell), filed an application for approval to construct a natural gas pipeline and for an order with respect to tolls and tariffs.

CNP plans to construct approximately 26 kilometres (16 miles) of 323-millimetre (12-inch) and 52.6 kilometres (33 miles) of 406-millimetre (16-inch) pipeline from Shell's Waterton Gas Plant in southwestern Alberta to Alberta Natural Gas Ltd's Compressor Station No. 1 located about four kilometres west of the British Columbia border. The pipeline would be principally used to transport gas produced at Shell's Waterton Gas plant for delivery to the export market. The estimated cost of the project is \$35 million and the proposed in-service date is shortly after mid-October 1998.

3. TransCanada PipeLines Limited - Natural Gas Pipeline - NEXUS

On 20 June 1997, the Board decided to hold a preliminary written proceeding for an application by TransCanada to construct new pipeline facilities for 1998. The Board had requested comments from interested parties on four questions with respect to the application.

On 27 June 1997, TransCanada advised the Board that it intends to revise its 1998/99 facilities application. As a result, the Board has suspended the above proceeding until after it has had an opportunity to consider the revised application.

In its 13 May 1997 application, TransCanada had planned to construct approximately 371 kilometres (231 miles) of pipeline looping and install additional metering at four stations, 11 new compressors and various other related facilities as phase one of its multi-year NEXUS expansion program.

The planned phase one expansion would have converted 4 255 million cubic metres (150.2 billion cubic feet) of Firm Service Tendered annual contract quantity to approximately 11.7 million cubic metres (412 million cubic feet) per day of Firm Transportation (FT) service. The expansion would also have provided a total of approximately 12.3 million cubic metres (436 million cubic feet) per day of new Firm Transportation service from Empress, Alberta beginning 1 November 1998, of which 13.4 per cent would be for domestic customers in Manitoba, Ontario and Quebec, while the remainder would be for export. It would also have provided a total of 567 thousand cubic metres (20 million cubic feet) per day of new short haul Firm Transportation service from St. Clair, Ontario to East Hereford, Quebec beginning

1 November 1998: TransCanada had estimated the cost of the project to be \$1.1 billion.

4. *Trans Québec & Maritimes Pipeline Inc. (TQM) - Natural Gas Pipeline - PNGTS Extension*

On 30 April 1997, TQM filed an application for approval to construct a natural gas pipeline, to be known as the "PNGTS Extension", from Lachenaie, Quebec to the New Hampshire border near Pittsburg, U.S.A.

TQM plans to construct approximately 213.2 kilometres (132.2 miles) of 610-millimetre (24-inch) pipeline from Lachenaie, Quebec to the Canada/U.S. border near East Hereford, Quebec. TQM also requested approval to install, for the first year of operation, a 7.0 megawatt electric motor driven compressor unit at Lachenaie and two meter stations, one at Waterloo and one at East Hereford. In the second year of operation, TQM proposes to install an additional 3.2 megawatt electric motor driven compressor unit at East Hereford and one gas aftercooler unit at Lachenaie. The estimated costs of the project is \$270 million and the proposed in-service date is 1 November 1998.

TQM stated that the additional facilities from Lachenaie to East Hereford will be required to provide transportation services requested by TransCanada PipeLines Limited (TransCanada) to transport natural gas to Portland Natural Gas Transmission System to supply markets in the U.S. Northeast. TQM further stated that the proposed facilities will also be required to respond to significant additional market requirements by Gaz Métropolitain and Company Limited Partnership for the Eastern Townships of Quebec.

Beginning 1 November 1998, 4.3 million cubic metres (152.2 million cubic feet) per day would be delivered at East Hereford to supply markets in the U.S. Northeast and 1.7 million cubic metres (60.0 million cubic feet) per day would be delivered at Waterloo to supply markets in the Eastern

Townships. In the second year of operation the deliveries would increase to 5.9 million cubic metres (210.0 million cubic feet) per day for East Hereford and to 2.1 million cubic metres (75.0 million cubic feet) per day for Waterloo.

5. *Trans Québec & Maritimes Pipeline Inc. (TQM) - Natural Gas Pipeline*

On 26 June 1997, TQM filed an application for approval to construct a natural gas pipeline from Saint-Nicolas, Quebec to the New Brunswick border.

TQM plans to construct 262 kilometres (192 miles) of 610-millimetre (24-inch) pipeline from Saint-Nicolas, Quebec to the New Brunswick border. TQM also proposes to construct 13.5 kilometres (8.4 miles) of 406-millimetre (16-inch) looping from St. Nicolas to Augustin-de-Desmaures, Quebec, install three 7-megawatt electric compressor stations to transport additional volumes to East Hereford for delivery to Portland Natural Gas Transmission System (PNGTS) and four meter stations for delivery of gas to Gaz Métropolitain and Company Limited Partnership's markets in Cabano, Rivière-du-Loup, La Pocatière and Montmagny, Quebec. The estimated cost of the projects is \$305.3 million and the proposed in-service date is 1 November 1999.

TQM said in its application that the facilities are required to provide service to be requested for transportation of Sable Island gas to Gaz Métropolitain's markets in Quebec, to The Consumers' Gas Company Ltd.'s markets in Ontario and to the U.S. Northeast markets via TQM's pipeline extension from Lachenaie to East Hereford.

In April 1997, TQM applied to construct the PNGTS Extension (see item 4 above). In August 1997, TransMaritime Gas Transmission Ltd. proposes to file an application to construct a pipeline from Goldboro, Nova Scotia to connect to the TQM pipeline system at the Quebec/New Brunswick border.

Other Applications

The Board had, or has, before it a number of applications and other matters that do not require public hearings. Since the 1 April 1997 issue of the Regulatory Agenda, the matters below have been or are being considered by the Board.

Natural Gas Matters

Matters Completed

1. *Complying with Part VI Supply Filing Requirements*

On 16 May 1997, the Board released a letter, which superseded a letter dated 29 August 1996, providing instructions to assist applicants in the preparation of the supply informa-

tion the Board requires in an application for a licence to export natural gas. The letter describes more fully the supply information required under the Board's Part VI (Oil and Gas) Regulations and defines the minimum information required to support the Board's current Market-Based Procedure.

2. *Canadian Hunter Exploration Ltd. - Remarketing Agreement - Licence GL-107*

On 28 April 1997, the Board approved an application dated 4 April 1997 from Canadian Hunter for approval of the contractual amendments effected by a Remarketing Agreement dated 22 August 1996 underpinning exports under Licence GL-107. Under the Licence, natural gas is exported to Project Orange Associates, L.P. to fuel its cogeneration plant.

3. *Enco Gas, Ltd. - Amended Gas Sales and Purchase Agreement - Natural Gas Export Licence GL-203*

On 7 May 1997, the Board approved an application dated 24 March 1997 from Enco Gas to amend its Gas Sales and Purchase Agreement underpinning exports under Licence GL-203. Under the Licence, natural gas is exported to Sumas Cogeneration Company L.P.

4. *Shell Canada Limited and Southern California Edison Company - Revoke Natural Gas Export Licence GL-212*

On 23 May 1997, the Board approved an application dated 1 May 1997 from Shell Canada Limited and Southern California Edison Company to revoke export Licence GL-212. Southern California Edison is in the process of selling all its gas-fired electric generation facilities and will no longer require the contracted gas supply with Shell Canada.

5. *St. Lawrence Gas Company, Inc. - Contract Amendment - Gas Export Licence GL-264*

On 26 May 1997, the Board approved an application dated 14 April 1997 from St. Lawrence for amendments to the Gas Sales Contract underpinning exports under export Licence GL-264. Licence GL-264 authorizes St. Lawrence to export natural gas to its market in northern New York State.

Matter Under Consideration

6. *Engage Energy Canada, L.P. - Transfer of Gas Export Licences*

On 7 May 1997, Engage applied for approval to transfer Gas Export Licences GL-187, GL-221, GL-222, GL-223, GL-224, GL-225, GL-226 and GL-227 from Westcoast Gas Services Inc. to Engage Energy Canada, L.P.

Electricity Matters

Matters Completed

1. *Montwegan International Energia Resorce Inc. (MIERI) - Electricity Export Permits*

On 8 May 1997, the Board approved an application dated 24 February 1997 from MIERI for permits to export up to 1 000 megawatts of firm power and up to 8 760 gigawatt hours of energy annually, on either a firm or interruptible basis, for a 10-year term for periods not to exceed five years. Exports will be from the provinces of New Brunswick, Quebec and Ontario.

2. *The Utility-Trade Corp. (UTC) - Amendments to Electricity Export Permits EPE-76 and EPE-77*

On 26 June 1997, the Board approved an application dated 14 January 1997 from UTC to amend Permits EPE-76 and

EPE-77 to allow for export of electricity sourced from anywhere in Canada over all international power lines approved by the Board, whereas the original application was for exports using the international power line facilities of Ontario Hydro, Manitoba Hydro, the Saskatchewan Power Corporation and British Columbia Hydro and Power Authority.

3. *Engage Energy Canada, L.P. - Transfer of Electricity Export Permits*

On 10 June 1997, the Board approved an application dated 18 March 1997 from Engage to transfer Permits EPE-96 and EPE-97 from Westcoast Gas Services Inc. to Engage Energy Canada, L.P.

4. *West Kootenay Power - Amendment to Electricity Export Permit EPE-67*

On 30 June 1997, the Board approved an application dated 22 January 1997 from West Kootenay Power to amend Permit EPE-67 to allow firm sale transfers. Permit EPE-67 previously authorized miscellaneous firm equichanges, meaning any firm exports are returned.

Matters Under Considerations

5. *British Columbia Power Exchange Corporation (PWX) - Amendment of Electricity Export Permits EPE-41, EPE-42, EPE-43 and EPE-44*

On 22 May 1997, PWX, on behalf of itself and BC Hydro, applied to amend the above noted orders in order to extend their termination date by one year to 30 September 1998.

On 27 June 1997, the Board decided to give interested parties an opportunity to comment on the application.

6. *James Maclaren Industries Inc. - Application for Electricity Export Permits*

On 10 April 1994, James Maclaren applied for permits to export up to 1 000 megawatts of firm power and up to 8 760 gigawatt hours of energy annually on a firm or interruptible basis for a 10-year term.

Pipeline Matters

Matters Completed

1. *Safety Audit Reports*

The Board has adopted Safety Management Audit Reports for monitoring compliance with the *Onshore Pipeline Regulations* and the *Pipeline Crossing Regulations* for the following companies:

Centra Transmission Holdings Inc. - 22 April 1997
Trans-Northern Pipelines Inc. - 9 May 1997
Montreal Pipe Line Limited - 13 June 1997
Wascana Energy Inc. - 17 June 1997

2. Fletcher Challenge Energy Inc./Many Islands Pipe Lines Canada Limited - Lease a Pipeline

On 16 April 1997, the Board approved an application dated 3 February from Fletcher and Many Islands for Many Islands to lease the Cosine West Line from Fletcher Challenge. The Cosine West Line is a 1 400-metre long gas pipeline crossing the Saskatchewan/Alberta border in Township 38.

3. Section 58 Applications

The Board has approved or is considering several applications under section 58 of the NEB Act involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. These matters may be considered by the Board without a public hearing. During the period covered by this Regulatory Agenda, the Board approved 30 section 58 applications for a total of \$121 129 390. See Appendix III on page 19 for a description of the applications approved or under consideration.

Matters Under Consideration

4. AEC West, a business unit of AEC Oil and Gas Partnership as Agent for Alberta Energy Company Ltd. - Pipeline Construction

On 24 December 1996, AEC West applied for approval to construct and operate sour and fuel gas pipelines, known as the "Tupper-Hythe Pipeline", from British Columbia to AEC West's Hythe sour gas plant located at 11-18-74-12 W6M in Alberta. The Tupper-Hythe Pipeline would extend 16.7 kilometres (10.4 miles) and consist of a sour gas line and a fuel gas line to be laid in the same ditch. The estimated cost of the project is \$3 457 000.

On 22 January 1997, the Board sent a letter to AEC West requesting additional information.

On 13 February 1997, AEC West requested that the application be held in abeyance until further notice. AEC West has been unable to reach an agreement with a third party shipper on the proposed project.

5. CML Resources Ltd. and Renaissance Energy Ltd. - Sale and Purchase of an Inter-Provincial Polyethylene Fuel Gas Pipeline

On 21 November 1996, CML applied for approval to sell and Renaissance applied for approval to purchase an inter-provincial polyethylene fuel gas pipeline. The pipeline, originally owned by Koch Exploration extends for 200 metres (656 feet) crossing the Alberta/Saskatchewan border.

On 9 January 1997, the Board sent a letter to Renaissance requesting additional information.

6. Canadian Natural Resources Limited - Construct a Natural Gas Pipeline

On 11 June 1997, Canadian Natural applied for approval to construct a 2.5-kilometre (1.5-mile) natural gas pipeline from a gas well installation at LSD 10-12-55-1 W4M in Alberta to connect to an existing Canadian Natural gas gathering pipeline system at LSD 6-17-55-27-W3M in Saskatchewan. The capital cost of the project is estimated at \$215 200.

7. Northstar Energy Corporation - Construct a Natural Gas Pipeline

On 23 May 1997, Northstar applied for approval to construct a 7.2-kilometre (4.5-mile) natural gas pipeline from the Coleman Gas Plant located west of Coleman in Savanna, Alberta to connect to the Alberta Natural Gas Co. Ltd main transmission pipeline west of the Alberta/British Columbia border. The estimated cost of the project is \$6.5 million.

8. Novagas Clearinghouse Ltd. - Westcoast Energy Inc. Practices re: Gas Stripping Arrangements with Solex Developments Company Inc.

On 12 May 1997, Novagas Clearinghouse Ltd. filed an application requesting on its own behalf and that of certain shippers that the Board inquire into and determine the appropriateness of certain actions of Westcoast Energy Inc. and provisions of its pipeline tariff, including its toll schedules. The application deals with the practices of Westcoast with respect to gas stripping arrangements with Solex Developments Company Inc. at Taylor, British Columbia.

On 27 May 1997, the Board decided to conduct a written proceeding before dealing with the application so as to receive submissions from interested parties regarding the best process to hear the application and the specific issues to be decided upon by the Board.

9. Westspur Pipe Line Company Inc. - Construct an Oil Pipeline

On 12 June 1996, Westspur applied for approval to construct a 30-metre (117-foot) long crude oil pipeline from Saskatchewan to Manitoba. The pipeline would connect to a pipeline owned by Virden Pipelines Inc. in Manitoba. Virden would transport crude oil roughly five kilometres from the Anderson Exploration Inc. battery in Manitoba to a point of interconnection at the provincial boundary with Westspur's proposed pipeline. The Westspur pipeline would connect to a pipeline owned by Westspur-Producers Pipelines Inc. in Saskatchewan.

On 21 February 1997, the Board sent a letter to Westspur requesting additional information.

Traffic, Tolls and Tariff Matters

Matters Completed

1. Audit Reports

The Board issued Final Audit Reports for:

Trans-Northern Pipelines Inc. for the year ending 31 December 1995 - Report dated 2 April 1997

Foothills Pipe Lines Ltd. for the years ended 31 December 1994, 1995 and 1996 - Report dated 6 June 1997

2. Foothills Pipe Lines (Alta.) Ltd., Foothills Pipe Lines (South B.C.) and Foothills Pipe Lines (Sask.) Ltd. - 1997 Operating and Maintenance Expense Budgets

On 17 April 1997, the Board approved (a) Foothills' 1997 operating and maintenance expense budgets for Zones 6 to 9 and (b) interruptible tolls Zone 9 effective 1 April 1997.

On 29 November 1996 and 24 March 1997, Foothills Pipe Lines Ltd. applied, on behalf of the above noted subsidiaries, for approval of Operating and Maintenance Expense Budgets for the 12-month period ending on 31 December 1997 and for new interruptible tolls for Zone 9 effective 1 April 1997.

On 20 December 1996, the Board had advised Foothills that before making a final decision on the applied-for budgets, it wished to consider Foothills' actual 1996 costs and the analysis of the 1996 operating and maintenance expense variances due to be filed with the Board on 28 February 1997. Therefore, the Board decided to issue an interim order approving interim budgets for the year ending 31 December 1997 equal to 50 percent of the budgets submitted.

3. Morgan Hydrocarbons Inc. - Complaint Re: Murphy Oil Company Ltd. and Manito Pipelines Ltd.

(For information on this matter, refer to item 9 under *Traffic and Toll Matters* on page 10 in issue No. 58 of the *Regulatory Agenda* dated 1 October 1996 and item 2 under *Appeals, Referral and Reviews* on page 11 of this issue of the *Regulatory Agenda*.)

On 3 June 1997, Morgan withdrew its complaint.

4. TransCanada PipeLines Limited - Multiple Handshake/Pooling Service (MHPS)

On 29 April 1997, the Board decided to approve a request dated 9 March 1997 from TransCanada for approval to offer MHPS at three additional points on its system.

MHPS enables shippers and gas marketers/aggregators to aggregate gas volumes at MHPS points by allowing them to perform multiple handshakes or title transfers at those points. Volumes may originate from upstream or downstream (via backhauls) transportation contracts, other MHPS

Accounts or a combination of both. Any party wishing to participate in these transactions must have an MHPS Account. An MHPS Account Holder can transfer ownership and control of some or all of that gas to any other MHPS Account Holder at that MHPS point.

The Board conducted a written proceeding to deal with this matter.

5. TransCanada PipeLines Limited - Interim Reports of the 1998 Tolls Task Force

TransCanada has applied for approval of several resolutions as contained in the Interim Reports of the 1998 Tolls Task Force.

The Board approved the following:

Resolution Nos.	Date approved
98-01 to 98-03	14 January 1997
98-04 to 98-06	20 February 1997
98-08 to 98-11	27 March 1997
98-07 and 98-12	15 April 1997
98-13 and 98-14	8 May 1997
98-15 to 98-19	29 May 1997
98-20	20 June 1997

Matters Under Consideration

6. Canadian Association of Petroleum Producers (CAPP) - Pipeline Workshop

On 20 November 1996, CAPP requested that the Board establish and release procedures for a workshop at which issues affecting the ability of pipeline companies to best serve the gas industry would be considered in a generic fashion.

On 19 December 1996, the Board sent a letter to interested parties seeking comments on the following issues:

- the usefulness of CAPP's proposed workshop;
- the most appropriate timing for such a workshop;
- potential issues to be addressed at such a workshop; and
- alternatives to CAPP's proposal (i.e. forums other than a workshop) that could be utilized to achieve the desired result.

On 4 March 1997, the Executive Director invited respondents to indicate their interest in participating in a working group whose purpose would be to scope out a workshop and its format.

On 18 June 1997, the Executive Director sent a letter to interested parties providing the decisions of the co-facilitation team and announcing that a working group meeting will be held on 16 September 1997 in Calgary.

7. Government of the Northwest Territories (GNWT) - Complaint and Notice of Motion - Tolls and Tariffs of Interprovincial Pipe Line (NW) Ltd. IPL(NW) - Norman Wells Pipeline

(For more information on this matter refer to item 8 under *Traffic and Toll Matters* on page 9 in issue No. 58 of the *Regulatory Agenda* dated 1 October 1996.)

On 30 December 1996, the Board approved interim tolls for IPL(NW) for 1997.

8. PanCanadian Petroleum Limited - Request for Condensate Transportation

On 17 September 1996, PanCanadian requested that the Board order Amoco Canada Petroleum Company Ltd. to reinstate the condensate transportation service between Marysville, Michigan and Sarnia, Ontario. In 1995, Amoco removed from condensate service an eight-inch (20.32-centimetre) pipeline crossing the St. Clair River to put it into liquified petroleum gas service.

On 24 December 1996, the Board sent a letter to PanCanadian and Amoco informing them that it was considering the possibility of holding an oral public hearing to examine the PanCanadian request. However, the Board advised that it will not take further steps on this matter until such time as PanCanadian provides an update regarding the current status of its request and the status of the U.S. connector pipeline.

9. TransCanada PipeLines Limited - Parking and Loan Service (PALS)

On 21 March 1997, TransCanada applied for approval of the following:

- a) that PALS be provided on a permanent basis at all receipt and delivery points on the TransCanada system;
- b) a Parking and Loan Service Tolls Schedule, Parking and Loan Service General Terms and Conditions, and a Parking and Loan Service Contract;
- c) the extension of the existing PALS Pilot beyond 31 March 1997 on an interim basis until 30 days after a decision on this application is reached; and
- d) an agreement which amends the PALS Pilot Contract to provide for the interim extension set out in c) above.

In October 1996, TransCanada began offering service under the PALS Pilot Tolls Schedule. Service was offered at the Niagara and Iroquois delivery points on the TransCanada system, allowing parties to either take gas from or provide gas to the system in return for a fee and the agreement that the balance of gas would be repaid at a later date at the same point on the system. TransCanada stated that through the

use of Pilot, it determined that PALS is a useful tool in increasing shippers' flexibility and in managing linepack on the system.

On 27 March 1997, the Board approved TransCanada's request to extend the PALS Pilot.

On 9 April 1997, the Board decided to conduct a written proceeding to deal with this matter.

Frontier Matters

1. Frontier activities for the second quarter of 1997

(a) Approval was given to Imperial Oil Resources for the following at Norman Wells:

(i) the use of service rig Shehtah Rig # 4 for wells located in the Norman Wells Field, pursuant to subsection 19(3) of the *Canada Oil and Gas Production and Conservation Regulations* (COGPCR) (approved on 1 April 1997);

(ii) include workover procedures for propane affected wells in the "Completions and Workovers" manual pursuant to subsection 19(3) of the COGPCR (approved on 14 May 1997);

(iii) install sub-surface safety valves in the following wells, pursuant to subsection 19(3) of the COGPCR and operate in accordance with subsections 25(3), 25(4) and 25(5) of the COGPCR (approved on 15 April 1997);

Imperial Canol Goose Island Q-15X,
Imperial Goose Island M-15X and,
Esso Norman Wells S-12X;

(iv) segregate injection for the following wells, pursuant to subsection 28 of the COGPCR (approved on 14 May 1997);

Esso Norman Wells H-23X,
Esso Norman Wells H-27X and,
Esso Norman Wells H-31X;

(v) amended Drilling Program Authorization pursuant to section 12 of the *Canada Oil and Gas Drilling Regulations* (COGDR), which is valid to 1 June 1998 (approved on 26 May 1997);

(vi) Authority to Drill a Well, pursuant to section 83 of the COGDR, was given on 2 June 1997 for the following wells,

IMP NORMAN WELLS P-32X
IMP NORMAN WELLS Q-37X
IMP NORMAN WELLS O-38X
IMP NORMAN WELLS M-42X
IMP NORMAN WELLS M-39X

IMP NORMAN WELLS N-40X
 IMP NORMAN WELLS O-40X
 IMP NORMAN WELLS N-38X
 IMP NORMAN WELLS O-33X
 IMP NORMAN WELLS P-39X;

(vii) Alter Condition of a Well for IMP Norman Wells H-27X well pursuant to section 19 of the COGCPR is granted (approved on 21 May 1997);

(viii) perform simultaneous operations for the drilling of the following wells, pursuant to section 27 of the COGCPR (approved on 21 May 1997);

IMP NORMAN WELLS P-32X
 IMP NORMAN WELLS Q-37X
 IMP NORMAN WELLS O-38X
 IMP NORMAN WELLS M-42X
 IMP NORMAN WELLS M-39X
 IMP NORMAN WELLS N-40X
 IMP NORMAN WELLS O-40X
 IMP NORMAN WELLS N-38X
 IMP NORMAN WELLS O-33X
 IMP NORMAN WELLS P-39X;

- (b) Approval was given on 23 June 1997 to Amoco Canada Petroleum Company Ltd for an extension of suspended status, for three years, for the Home Signal CSP Celibita H-78 well pursuant to subsection 219(2)b of the COGDR.
- (c) Approval was given on 23 June 1997 to Anderson Oil & Gas Inc. for the disposal of used triethylene glycol pursuant to section 56 of the COGCPR.
- (d) Approval was given on 23 May 1997 to Ranger Oil Ltd. of an amendment to the Authority to Drill a Well, Ranger Fort Liard P-66 for the zero offset Vertical Seismic Profile to include 10 shotholes on the P-66 lease and access road pursuant to section 83 of the COGDR.
- (e) Approval was given on 5 May 1997 to Paramount Resources Ltd. for a "Well Termination Record" for the well Paramount et al Bovie C-76 pursuant to section 184 of the COGDR.
- (f) Approval was given on 30 June 1997 to Anderson Exploration Ltd. for the following two "Applications to Alter Condition of a Well" pursuant to Part VIII of the COGDR:

Columbia Southern et al N Beaver R YT I-27 and;
 Columbia et al Kotaneelee YT E-37.

- (g) Three applications for geological or geophysical operation authorization were received. One application was approved pursuant to section 5 of the Canada Oil and Gas Operations Act as follows:

Company	Area	Approval Date
B.F.R. Geophysical	Ft. Liard, N.W.T.	13 June 1997

Safety Matters

1. *TransCanada PipeLines Limited - Pressure Reduction*

On 5 February 1997, the Board directed TransCanada to reduce the operating pressure on a section of its pipeline in northern Ontario until safety of the pipeline is verified. The reduction is to 90 per cent of the line's maximum operating pressure.

The Board ordered the pressure reduction to take effect immediately on a section of TransCanada's Line 100-1 between Falcon Lake, Manitoba, west of the Manitoba/Ontario border and Ignace, Ontario, east of Dryden. The section is between mainline valves 45 and 58 and is 274.45 kilometres (170 miles) long. The company had earlier lowered the pressure by five per cent on a smaller section of 81.72 kilometres (51 miles). The area includes a section near Stewart Lake where a line break on 11 December 1996 caused a pipeline explosion. The line break was caused by general corrosion. Subsequent hydrostatic testing in the area revealed other serious corrosion.

The Board said in a letter to TransCanada that ordering a further reduction in pressure and on a longer section of pipeline is in the spirit of the Canadian Standards Association requirement to implement measures to prevent the occurrence of leaks and breaks until the cause of a failure is addressed.

The pressure was to be reduced until 31 May 1997 or until such time as the integrity of the pipeline is confirmed. This will be done through procedures such as hydrostatic testing and electronic internal inspection.

Appeals, Referral and Review

Appeals

Appeals Completed

1. *Ontario Hydro vs. Her Majesty the Queen - Cost Recovery of the Board's Move to Calgary*

On 10 June 1997 the Federal Court of Appeal ruled that the Board could not include costs associated with the Board's move to Calgary in the Board's cost recovery program. Those costs, the Court said, were related to "an administrative decision in which the Board had no statutory authority to participate". The government decided where the Board would be located, and the Board had no say. As a result the moving costs were not within the control of the Board, were not tied to its responsibilities under the NEB Act and, therefore, were not subject to cost recovery.

Court proceedings started several years ago when Ontario Hydro challenged the ability of the Board to charge under the cost recovery regulations for its portion of the costs of the move from Ottawa. Ontario Hydro argued that those costs were not "program costs" - that is they were not part of the ordinary day to day work of the Board and therefore could not be charged to industry. No other company participated in the law suit and the Board itself was not named. The Defendant was Her Majesty as the Board merely collects the funds from industry and passes them on. As a result, Justice defended the action with assistance from NEB Legal Services.

At trial, the Federal Court Trial Division found that the cost recovery provisions did apply to the Board's moving costs. Ontario Hydro appealed and the Appeal Division overturned the lower court. It will now be up to Treasury Board to decide if leave to appeal to the Supreme Court of Canada will be sought and whether and how other companies subject to cost recovery will be reimbursed.

2. *Morgan Hydrocarbons Inc. - Manito Pipelines Ltd. - Abandonment of Pipeline - MH-1-96*

On 1 May 1997 Morgan discontinued its appeal. As a result, the stay of the Board's order issued on 19 September 1996 was lifted on 28 May 1997.

On 3 September 1996, Morgan filed with the Federal Court of Appeal an application for leave to appeal the Board's decision to approve the abandonment of a portion of Manito's pipeline. The Board held that upon abandonment, it will cease to have jurisdiction over both the abandoned line and the remaining portion of the Manito pipeline. The Board stayed the abandonment order pending the outcome of the appeal.

Appeals Pending

1. *BC Gas Utility Ltd. - Westcoast Energy Inc. - Grizzly Valley Application - GH-6-94*

On 3 April 1996, BC Gas applied to the Supreme Court of Canada for leave to appeal the Federal Court of Appeal's decision of 9 February 1996 in which it decided that the Fort St. John Expansion Project and the Grizzly Valley Expansion Project in northeastern British Columbia were under the Board's jurisdiction.

Leave to appeal was granted by the Supreme Court of Canada on 30 October 1996. A Constitutional Question has been formulated.

2. *Canadian Hunter Exploration Ltd. - Tidal Resources Inc.*

On 22 August 1996, Canadian Hunter filed with the Federal Court of Appeal an application for leave to appeal the Board's decision of 25 July 1996 in which it decided, as a result of the approval of Tidal Resources' application to construct a pipeline, that it had jurisdiction over certain upstream gathering facilities located within the province of British Columbia which are owned and operated by Canadian Hunter.

On 7 November 1996, the Federal Court of Appeal granted the leave to appeal application.

3. *Hydro-Québec - Access to Export Contract*

On 23 September 1996, Hydro-Québec filed a Notice of Motion with the Federal Court, Trial Division to review the Board's decision of 4 September 1996, pursuant to section 44(1) of the Access to Information Act, in which the Board decided that a copy of a firm diversity contract between Hydro-Québec and Consolidated Edison would be made available to Mouvement Au Courant as requested.

Pursuant to a preliminary motion, the Federal Court Trial Division held that it was appropriately seized of the matter via the Access to Information Act.

4. *Richard Leroux and 417 Auto Wreckers Limited - TransCanada PipeLines Limited*

On 6 May 1996, the Federal Court of Appeal quashed an application by Richard Leroux and 417 Auto Wreckers in which it sought an order for judicial review the Board's decision of 22 December 1995. However, the Federal Court of Appeal granted the application for leave to appeal the same decision. In its decision, the Board found the aggregate application of Richard Leroux did not fall within section 81 of the NEB Act as it did not meet the requirement of "mines or minerals".

Review

Review Completed

1. *Mouvement Au Courant (MAC) - TransAlta Enterprises Corporation (TEN) - Electricity Export Permits EPE-73 and EPE-74*

On 20 December 1996, the Board granted an application by TEN to amend electricity export permits EPE-73 and EPE-74 to permit exports across all electricity transfer points on the

international border. After the application was granted, MAC advised the Board that it had not received the 25 November 1996 submission of TEN and therefore had not filed a reply. As it appeared there was no record of service of the submission on MAC, the Board, on 24 March, decided to review its decision of 20 December 1996.

On 20 May 1997, the Board confirmed its 20 December 1996 decision approving TEN's application.

Amendments to Regulations

Amendments to the Board's regulations completed or in various stages of preparation, include the following:

1. *Onshore Pipeline Regulations*

On 8 April 1997, the Board forwarded a new draft consolidation of the *Onshore Pipeline Regulations* to the Department of Justice for legal review.

The Regulations specify the requirements for the protection of property and the environment and safety of the public and company employees in the design, construction, operation, maintenance and abandonment of an onshore pipeline. The current regulations have been in effect since June, 1989.

2. *Offshore Pipeline Regulations*

The *Offshore Pipeline Regulations* will specify the requirements for the protection of property and the environment and the safety of the public and the company's employees in the design, construction, operation and abandonment of an offshore pipeline.

The Regulations are at the drafting stage.

3. *National Energy Board Cost Recovery Regulations*

On 23 May 1997, an amendment to the Cost Recovery Regulations to include Express Pipeline Ltd. as a large pipeline company for the purposes of cost recovery was published in *Part II of the Canada Gazette*.

Other amendments to the Cost Recovery Regulations have been drafted and are being put forward for Treasury Board approval. Among other things, these amendments will eliminate the need to amend the Schedules to include new companies as new generic definitions will encompass all companies subject to cost recovery. Other changes will result in greater efficiencies to the cost recovery processes.

4. *Regulations Pertaining to Frontier Oil and Gas Activities*

The process of creating and amending regulations pertaining to frontier oil and gas activities, under the provisions of the *Canada Oil and Gas Operations Act*, proclaimed in force in September 1992, is continuing. At present, the regulatory agenda is as follows:

Regulations being drafted

Canada Oil and Gas Occupational Safety and Health Regulations - Amendments

Canada Oil and Gas Drilling Regulations - Re-structuring

Canada Oil and Gas Production and Conservation Regulations - Amendment

Nova Scotia Offshore Spills and Debris Regulations

Newfoundland Offshore Area Petroleum Occupational Safety and Health Regulations

Nova Scotia Offshore Area Petroleum Occupational Safety and Health Regulations

Physical Environmental Guidelines for Drilling Programs on Frontier Lands

Pursuant to an administrative arrangement between the Board and Natural Resources Canada, the Board is also working with the provinces of Newfoundland and Nova Scotia in drafting federal and provincial versions of the preceding regulations which pertain to the offshore areas under joint resource management accords.

Other Matters

1. Memorandum of Guidance (MOG) - Full Implementation of the September 1988 Canadian Electricity Policy

On 2 April 1997, the Board issued the above-noted MOG which replaces the one issued on 7 July 1993. The revised MOG was issued because the National Energy Board Electricity Regulations became law on 19 March 1997. The MOG also reflects process revisions based on the Board's experience with processing electricity applications since the issuance of the 1993 MOG.

2 Alberta Assessment of Unconnected Reserves

On 11 June 1997, the Alberta Energy and Utilities Board (EUB) and the NEB released results of the second phase (Phase II) of their review of unconnected gas reserves in Alberta. This Phase II review has resulted in a reduction to the EUB/NEB common gas reserves database of 88.2 billion cubic metres. This equates to about a 6 percent reduction in Alberta's remaining marketable gas reserves to the end of 1996.

The joint EUB/NEB Phase II review also included a re-assessment of previously producing single well pools, and single well pools that have been abandoned without producing. The Phase II reserve reduction has been incorporated in the EUB year-end 1996 Annual Reserves Report, Statistical Series 97-18.

The NEB and EUB signed the Common Reserves Data Base Agreement on 9 March 1994. This agreement reflects a joint commitment toward developing more accurate and efficient methods for maintaining reserves estimates used by both levels of government and industry.

The Unconnected Gas Review is comprised of three initial major phases based on pool discovery dates. Phase I assessed pools discovered prior to 1967, and results were incorporated in the EUB 1995 year-end reserves report. Phase II assessed pools discovered from 1967 to 1977. Phase III will cover pools discovered between 1978 and 1987, and will be initiated in July 1997. For all phases, the assessment process is based primarily on confirmation by industry of the existence of reserves on a pool-by-pool basis.

Specific reserve reductions directly affect the EUB's estimate of corporate reserves under a company's control. This will therefore affect the amount of gas available for permitting under Alberta gas removal permitting processes. A list of wells where reserves have been deleted will be forwarded to

the Alberta Department of Energy, Mineral Operations Division. The Division will incorporate this information in its assessment of leases no longer capable of producing natural gas in paying quantities.

EUB GB-97-6, *Results of Unconnected Gas Review 96-1* is available from EUB Information Services at tel. (403) 297-8190, fax (403) 297-7040. Additional background information concerning this initiative is available in EUB General Bulletins GB 95-16 and GB 96-8.

3. British Columbia Assessment of Unconnected Reserves

Further to item 2 above, the NEB has now reviewed unconnected gas reserves in British Columbia. Results of this review indicate that unconnected gas reserves in British Columbia should also be reduced. The Board is soliciting comment and discussion of this study. The Board has proposed an ongoing review of British Columbia unconnected reserves in conjunction with British Columbia Ministry of Employment and Investment. This joint study may be done in phases and reserves databases adjusted accordingly.

4. Natural Gas Market Assessment

On 25 June 1997, the Board issued a Natural Gas Market Assessment report entitled: *Producers' Response to Changing Market Conditions - 1992-1996*.

The study examines the response of natural gas producers in the Western Canada Sedimentary Basin to the changing gas market conditions over the period 1992-1996 and focuses on several aspects of this response. First, the levels of gas-directed activity within the producing sector over the 1992-1996 period are examined, including the relationship between price and activity levels. Second, the study provides an examination of underlying supply characteristics which have a bearing on producers' efforts to maintain and expand gas supply. Third, to provide a measure of the results of recent drilling, methods were developed to yield first estimates of gas reserves and productive capacity additions based on the latest available drilling statistics.

The study found that the producing sector has evolved into an efficient and highly competitive component of the gas marketplace, able to respond to changing market conditions. The sector has demonstrated its ability to ensure adequate supplies at fair market prices during a period of rapidly increasing demand.

Administrative Matters

Appointments

On 23 April 1997, **Dr. Richard D. Revel** was appointed Temporary Member of the Board. Dr. Revel is a registered professional biologist and a former director of the Alberta Society of Professional Biologists. He obtained his B.Sc. in Biology from Notre Dame University of Nelson, B.C., and a Ph.D. in Plant Ecology from the University of British Columbia. He was awarded a National Research Council of Canada Industrial Postdoctoral Fellowship in the field of applied environmental research to carry on postdoctoral studies.

He has held several positions at the University of Calgary since 1975 and is currently a professor of Environmental Science and director of the Resources and the Environment Graduate Program. Dr. Revel has also served as a joint panel member under the Canadian Environmental Assessment Act to hear the Express Pipeline application.

On 9 June 1997, **Judith Hanebury** was appointed General Counsel for the Board. Ms. Hanebury received her law degree from the University of Calgary in 1979 and her Masters Degree in Environmental and Natural Resources Law in 1991. She has practised law in both the private and public sectors. In private practice she focused on civil litigation during which she appeared before various courts and tribunals. She joined the Board's Legal Services in 1992 and has provided advice in all areas within the mandate of the Board.

On 10 June 1997, the Board appointed **Michel Mantha** as the Board's new Secretary. Mr. Mantha has a Bachelor of Arts degree in Economics from Carleton University and 16 years experience at the Board. He worked in the former Economics and Financial Regulation Branches until 1994, when he joined the Office of the Secretary as Assistant Secretary, Regulatory Services. He has also served as Acting

Electronic Regulatory Filing

ERF Phase II Proof of Concept and Pilot Projects

The Proof of Concept phase of ERF was the central focus of activities during the first half of 1997. During this phase, ERF participants tested the standardized document models developed in Phase I to prove they are workable for creating, exchanging and reusing regulatory information. The Proof of Concept provided participants with hands-on experience using ERF technology, including the document repository which will eventually contain all electronic regulatory filings.

The Proof of Concept consists of an electronic re-enactment of a previously-held proceeding. It spans the entire hearing process from the application stage, to the filing of evidence

and production of Reasons for decision. It will involve matters that fall within National Energy Board jurisdiction as well as that of the Ontario Energy Board, our partner in the ERF initiative. Selected portions of the document set associated with the hearing will be used to prove the viability of ERF document models in a "real-life" regulatory context.

Improvements expected from a full implementation of the ERF initiative will be itemized in a cost benefit analysis due upon completion of the Proof of Concept in September 1997. A written assessment of the impacts associated with ERF implementation within participating organizations will also be prepared.

The detailed test plan prepared for the Proof of Concept phase covers training and technical support for participants. As part of the transition to full-scale implementation in participating organizations, the group will identify issues to be resolved, estimated human resource requirements, hardware and software requirements, and the timing of ERF implementation.

Document authoring workshops involving the NEB, OEB and industry participants were held in April. During the workshops, regulatory personnel from all participating organizations created regulatory documents using revised document models from ERF Phase I and a variety of Standard Generalized Markup (SGML) software products.

ERF Phase III Implementation

In June, participants met in Toronto to discuss high-level business plans for ERF implementation and beyond. Based upon the results of the Proof of Concept and an updated Cost/Benefit analysis currently being prepared, a decision as to whether implementation will proceed will be taken in late September 1997. Depending on that decision, a document repository for public access and electronic regulatory filing could be available on the Internet as early as October 1997.

Documents Issued - 1 April to 30 June 1997

Reasons for Decision

Federated Pipe Lines (Northern) Ltd. - Oil and Natural Gas Liquids Pipeline - OH-3-96 - April 1997

Interprovincial Pipe Line Inc. - Reactivate Line 8 - OH-4-96 - April 1997

Novagas Clearinghouse Pipelines Ltd. - Natural Gas Liquids Pipeline - OH-2-96 - April 1997

Reports

Unconnected Gas Supply Study - Phase II - Evaluation of Unconnected Reserves in British Columbia - June 1997

Natural Gas Market Assessment - Producers' Response to Changing Market Conditions - 1992-1996 - June 1997

Other

Memorandum of Guidance (MOG) - Full Implementation of the September 1988 Canadian Electricity Policy - 2 April 1997

Instructions for Filing

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 311 - Sixth Avenue S.W., Calgary, Alberta, T2P 3H2; Telephone (403) 292-4800; Fax (403) 292-5503.

Appendix I lists the number of copies required for the different types of applications.

Telephone Numbers

A current list of Board Members and key staff telephone numbers is attached as Appendix II.

Web Site

Internet users are invited to visit the Board's interactive home page at www.neb.gc.ca. Feedback on the site is welcome and more on-line information services will be added on a regular basis.

Board Document System (BDS)

The Board's BDS system is available to the public, offering direct access to an electronic library of regulatory documents. Document contents may be searched on-line with full-text search capabilities. Presently, the system contains

Reasons for Decision dating from 1985 and hearing transcripts from 1991. Other document types will be added gradually, as they become available in standardized electronic format. The BDS may be used from remote locations or at the Board's Calgary office. The only cost to users will be long-distance telephone charges, if any, to connect to the system.

All users are asked to register with the Board and sign a public access agreement. This agreement explains the responsibilities of the user and outlines relevant terms and conditions. Request for a user account may be made by mail, facsimile or telephone to our Regulatory Support Office (403) 292-4800. For more information, a brochure on the Board Document System is also available to interested parties.

Mailing Lists

If you are not already on the Board's mailing lists and wish to be added thereto, please write to the Secretary of the Board providing your mailing address and the type of material you would be interested in receiving. The following are the Board's current mailing lists:

- L1: Everything the Board issues
- L4: Oil and gas matters
- L5: Electrical matters
- L6: Annual Report only
- L7: News Releases only
- L8: Regulatory Agenda only
- L9: Environmental matters

National Energy Board
M. L. Mantha
A/Secretary

For copies of documents contact:
Publications Office
Tel: (403) 299-3562
Fax: (403) 292-5503
Email: orders@neb.gc.ca

For information contact:
Denis Tremblay
Tel: (403) 299-2717
Fax: (403) 292-5503
Email: denis.tremblay@neb.gc.ca

Appendix I

Number of Copies Required for Filings

Applicants are requested to provide the following number of copies of their applications or other filings to the National Energy Board. For matters not listed below, one copy is sufficient.

Type of Application or Filing	No. of Copies	Type of Application or Filing	No. of Copies
(a) Hearing Matters		(iii) Oil Exports	
(i) Certificates		Registered Oil Export Orders	05
Pipeline	25	(iv) Tolls	
Power Line	20	Class I and II Adjustments	20
(ii) Export Licences		Interim Orders	20
Natural Gas	25	Operating and Maintenance Budgets	20
Electricity	20	Changes in Depreciation Rates	20
(iii) Tolls	25	Quarterly Surveillance Reports	20
(iv) Land Acquisitions	20	New or Changed Tariffs	20
(b) Non-Hearing Matters		Domestic Gas Sales Contracts and Amendments	20
(i) Natural Gas		Amendments to Tariff Orders	20
Export Orders	20	(v) Pipelines and Power Lines	
Orders for Transmission Access	20	Permits	15
Licence Amendments	20	Exemption Orders Pipelines (Sec. 58)	20
Amendments to Export Contracts	20	Certificate Amendments	20
Licence Revocations	20	Leave to Sell or Transfer	20
(ii) Electricity Exports		Incident Reports	20
Permits	15	(vi) Other	
Licence or Permit Amendments	15	Application for Review	20
Licence or Permit Revocations	15		

The number of copies of interventions or submissions to be provided in response to applications will be specified in the applicable hearing order. Private individuals who would find the provision of multiple copies an undue financial burden may file one copy, with a request to be excused from multiple filing.

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 311 - Sixth Avenue S.W., Calgary, Alberta, T2P 3H2: Telephone (403) 292-4800; Fax (403) 292-5503.

Appendix II

Selected List of Telephone Numbers

(Area Code 403)

General Information	292-4800	Counsel	Gino Grondin	292-6495
Incident Reporting Number	1-800-632-1663	Counsel	Christine Beauchemin	292-6489
	1-800-NEB-1-ONE	Secretary	Vacant	292-6540
Publication Office	Tel: 299-3562	Counsel	Margery Fowke	299-2708
	Fax: 292-5503	Counsel	Claire McKinnon	299-2707
	Email: orders@neb.gc.ca	Counsel	Lori Ann Boychuk	299-2709
Web Site	www.neb.gc.ca	Secretary	Vacant	299-3551

Board Members

Chairman	Roland Priddle	299-2724
Chairman's Assistant	Esther Binder	299-2725
Secretary	Carmen Morin	299-2726
Vice-Chairman	Kenneth Vollman	299-2730
Secretary	Lillian Handelman	299-2741
Member	Anita Côté-Verhaaf	299-2739
Secretary	Lillian Handelman	299-2741
Member	Roy Illing	299-2729
Secretary	Caroline Healy	299-2728
Member	Judith Snider	299-2737
Secretary	Louise Niro	299-2734
Temporary Member ^(a)	Robert Fournier	(902) 496-5112
Temporary Member	Richard Revel	299-2740
	Louise Niro	299-2734

(a) Temporary member for the purpose of the review of the Sable Island Gas Projects.

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Executive Director	Gaétan Caron	299-2700
Admin. Assistant	Jan Dane	299-2701

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Energy Resources	Graham Campbell	299-3102
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Economics	Vacant	

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A/General Counsel until 8 September 1997	Peter Noonan	299-3552
Secretary	Corina Smith	299-2704

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Secretary and Team Leader Regulatory Operations	Michel Mantha	299-2714
Technical Project Manager, Electronic Regulatory Filing	Neil Levette	299-3613

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Communications Officer	Denis Tremblay	299-2717
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Communications Officer	Ruth Grenville	299-2719
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Team Leader	Steve Brown	299-3653

Westcoast Energy Inc. and Trans Mountain Pipe Line Company Ltd.

Team Leader Hans Pols 299-3189

Interprovincial Pipe Line Inc., Trans-Northern Pipelines Inc. and Express Pipeline Ltd.

Team Leader Christine van Egmond 299-2783

Alberta Natural Gas Company Ltd, Foothills Pipe Lines Ltd. and Alliance Pipeline Ltd.

Team Leader Jim Fox 299-3628

Cochin Pipe Lines Ltd., Part VI and Natural Gas Liquids

A/Team Leader Gurdeep Gill 299-3659

Commodities Business Unit

Business Unit Leader Terrance Rochefort 299-3646

Commodity Convergence

Team Leader Jawed Aziz 299-3630

Gas

Team Leader Bill Bingham 299-3198

Oil

Team Leader Barry Lynch 299-3197

Electricity

A/Team Leader Ivan Harvie 299-3165

Resource Assessment

A/Team Leader Jim Davidson 299-3135

Operations Business Unit

Business Unit Leader John McCarthy 299-2766

Health, Safety and Environment

Team Leader Wayne Marshall 299-3901

Frontier

Team Leader Terry Baker 299-2792

Regulatory Development

Team Leader Bharat Dixit 299-3903

Pipeline Accident Investigation

Team Leader Paul Trudel 299-2768

Corporate Services*

Business Leader Sylvia Farrant 299-2703

Human Resources 299-3695

Appendix III

Section 58 Applications

The Board has approved or is considering several applications under section 58 of the NEB Act involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. These matters may be considered by the Board without a public hearing.

Gas Pipelines

Applicants	File/Order Nos.	Description	Est. Cost
TransCanada PipeLines Ltd.	File: 3400-T001-136 Order: XG-T1-22-97	Lower a 100-metre section of line in Muskoka District of Ontario.	\$162 000
	File: 3400-T001-138 Order: XG-T1-25-97	Lower a 168-metre section of line near Thunder Bay, Ontario	\$578 000
	File: 3400-T001-134 Order: XG-T1-26-97	Sixteen pipe recoating projects.	\$22 357 000
	File: 3400-T001-133 Order: XG-T1-27-97	Five cathodic protection projects and two containment infrastructure upgrades at locations in Ontario, Manitoba and Saskatchewan.	\$22 783 000
	File: 3400-T001-125 Order: AO-1-XG-T1-38-96	Amendment to Order XG-T1-38-96. Construct a building to house a flow computer and telemetry equipment at the Brandon Meter Station.	\$146 400
Westcoast Energy Inc.	File: 3400-W005-168 Order: XG-W5-18-97	Construct a new Southern Regional Office Building at Compressor Station No. 7 near Savona, B.C.	\$360 000
	File: 3400-W005-164 Order: XG-W5-19-97	Install a SCADA computer at the Ranger Oil Ltd. Base Camp, Helmet Peggo Gathering Facilities in B.C.	\$21 000
	File: 3400-W005-164 Order: XG-W5-20-97	Install a water analyzer station at the Norcen site to monitor water content of gas entering the Sahtaneh Pipeline at Fort Nelson, B.C.	\$390 000
	File: 3400-W005-169 Order: XG-W5-21-97	Replace and operate the No. 2 Thermal Oxidizer combustion system at the Fort Nelson, Gas Plant in B.C.	\$895 000
	File: 3400-W005-164 Order: XG-W5-23-97	Replace a W92 gas turbine driver unit at station 6B northwest of Kamloops, B.C. with a Spey gas turbine driver.	\$6 381 000
	File: 3400-W005-170 Order: XG-W5-24-97	Install a linebreak control system on the sour gas Beaver River Pipeline in the Fort Nelson, B.C. area.	\$687 000
	File: 3400-W005-171 Order: XG-W5-29-97	Install an inlet liquids surge vessel at the Cabin Lake Booster Station, northeast of Fort Nelson, B.C.	\$1 045 000

Gas Pipelines

Applicants	File/Order Nos.	Description	Est. Cost
Westcoast Energy Inc. con't	File: 3400-W005-164 Orders: XG-W5-9-97, XG-W5-19-97, XG-W5-20-97, XG-W5-23-97, XG-W5-28-97 and XG-W5-31-97	Seventy projects.	\$29 000 000
	File: 3400-W005-164 Order: XG-W5-32-97	Replace and relocate a portion of the Grizzly Sweet Gas Pipeline downstream of the Pine River Gas Plant.	\$3 496 000
	Total Estimated Cost for Gas Pipelines		\$88 301 400

Oil Pipelines

Applicants	File/Order Nos.	Description	Est. Cost
Amoco Canada Petroleum Company Ltd., on behalf of the Ethane Shippers Joint Venture Owners	File: 3400-E083-3 Order: XO-E83-12-97	Drill a well into underground storage cavern E-5 and install associated piping at Windsor Storage Facility in Windsor, Ontario.	\$910 000
Husky Oil Operations Ltd.	File: 3400-H012-7 Order: XO-H12-18-97	Excavate and perform repair work on sections of four pipelines in Alberta and Saskatchewan.	\$345 200
Interprovincial Pipe Line Inc.	File: 3400-J001-79 Order: XO-J1-2-97, XO-J1-4-97, XO-J1-10-97, XO-J1-15-97 and XO-J1-19-97	Twenty six minor projects.	\$12 100 000
	File: 3400-J001-82 Order: XO-J1-20-97	Eleven projects. These projects form part of Certificate OC-41 approved by the Board in hearing OH-1-96 "System Expansion Phase II", therefore, estimates provided in OH-1-96 covers the costs of these projects.	\$000
	File: 3400-J001-82 Order: XO-J1-23-97	Upgrade the Manitou, Manitoba substation.	\$ 497 700
	File: 3400-J001-85 Order: XO-J1-24-97	Replacement and new construction of cathodic protection groundbeds and rectifiers in Saskatchewan and Manitoba and installation of four scraper traps in Alberta, Saskatchewan and Manitoba.	\$5 661 600
	File: 3400-M3-13 Order: XO-M3-13-97	Modify scraper trap piping at Montreal-East, Quebec.	\$50 000
Montreal Pipe Line Limited	File: 3400-M3-12 Order: XO-M3-21-97	Upgrade a pipeline for transportation of crude oil between Highwater and Montreal-East, Quebec.	\$2 350 000

Oil Pipelines

Applicants	File/Order Nos.	Description	Est. Cost
Murphy Oil Company Ltd.	File: 3400-M23-13 Order: XO-M23-30-97	Construct a pipeline tie-in at Fort Pitt, Saskatchewan.	\$10 000
Petroleum Transmission Company Ltd.	File: 3400-P15-16 Order: XO-P15-11-97	Replace three pipeline sections in its Eastern Pipeline Sector Manitoba and abandon three pipeline sections at the same locations.	\$600 000
Trans Mountain Pipe Line	File: 3400-T004-50 Order: XO-T4-14-97	Replacement of electrical transformer at the Albreda Pump Station in B.C.	\$19 900
	File: 3400-T004-42 Order: XO-T4-22-97	Expansion of a groundwater treatment system at the Sumas Station in B.C.	\$310 000
Trans-Northern Pipelines Inc.	File: 3400-T002 Orders: XO-T2-1-97 and XO-T2-9-97	Six projects.	\$2 475 000
Westspur Pipe Inc.	File: 3400-W002-14 Order: XO-W2-6-97	Leave to continue operation of 68 asset additions between 1985 and 1995.	\$4 798 590
	File: 3400-W002-18 Order: XO-W2-16-97	Eight projects.	\$1 100 000
	File: 3400-W002-19 Order: XO-W2-17-97	Construct a 6 360 cubic metre (40 000 barrel) oil storage tank at the Steelman Terminal in Saskatchewan.	\$1 600 000
		Total Estimated Cost of Oil Pipelines	\$32 827 990
		Total Estimated Costs of Gas and Oil Pipelines	\$121 129 390

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament. Over the course of its history, it has played an important role in the development of Canada's energy sector.

The Board's regulatory powers under the National Energy Board Act include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and designated interprovincial and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment, and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by the Ministry of Labour to administer Part II of the Canada Labour Code.

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Regulatory Agenda

The period covered in this Regulatory Agenda is 1 July to 30 September 1997

Applications Considered by Public Hearing

Oral Hearings

Recent Hearing Decisions

1. **Amoco Canada Petroleum Company Ltd. on behalf of Dome Kerrobert Pipeline Ltd. and PanCanadian Kerrobert Pipeline Ltd. - Natural Gas Liquids Pipeline - OH-1-97**

Reasons for Decision dated July 1997; issued on 17 July 1997.

The Board approved an application from Amoco, on behalf of Dome Kerrobert and PanCanadian Kerrobert, to expand its Kerrobert natural gas liquids (NGL) pipeline and related facilities in southwestern Saskatchewan.

The Board approved the construction of a 155-kilometre (96-mile) natural gas liquids pipeline extending from the NGL extraction plants at Empress, Alberta to the Interprovincial Pipe Line Inc. pump station near Kerrobert, Saskatchewan. The pipeline will twin the existing 219.1 millimetre (eight inch) pipeline to meet forecasted increases in NGL production from the Empress extraction facilities. The pipeline will increase throughput capability for NGLs by approximately 7 937 cubic metres (49,920 barrels) per day to 18 577 cubic metres (116,850 barrels) per day.

The estimated cost of the project is \$23 million with a planned in-service date of November 1997.

The Board considered the application at a public hearing held on 16 June 1997 in Calgary.

2. **Westcoast Energy Inc. - 1997 Tolls - RH-2-97**

Reasons for Decision dated August 1997; issued on 22 August 1997.

The Board approved a five-year incentive-based negotiated settlement on tolls, or methodology for determining tolls, for Westcoast for the period from 1 January 1997 to 31 December 2001.

Under the settlement, for gathering and processing services, shippers will have the option to contract for one, three or five year predetermined base tolls plus a surcharge that is indexed monthly to gas prices, primarily at Sumas, Washington. The settlement will allow Westcoast to benefit from cost savings and the generation of new business and revenue. During the five-year period that the settlement is in effect, changes in gathering and processing contract levels will not affect the tolls.

For transmission services, shippers have the option of tolls that are predetermined for five years, or they can choose tolls

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PREFACE

The purpose of this quarterly agenda is to provide information on the Board's activities.

Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the National Energy Board Act, R.S.C. 1985, c.N-7, as amended.

"Our purpose is to make decisions that are fair, objective and respected."



which are adjusted to reflect the current costs of Westcoast and contract levels. For 1997, depending on the terms and options selected, the tolls in the settlement represent increases over tolls for 1996 ranging from approximately four per cent to 15 per cent, excluding the impact of the Board's decisions on the recovery of expenditures incurred by Westcoast in the Fort St. John and Grizzly Valley expansion projects.

Of the \$42.18 million in project costs incurred in the Fort St. John Expansion Project that Westcoast applied to recover, the Board approved recovery of \$26.03 million. The Board denied recovery of the project development costs of the \$18.53 million for the Grizzly Valley Expansion Project. The tolls in the settlement will be adjusted to reflect the Board's cost recovery decisions.

The Board considered the application at a public hearing held from 23 to 27 June 1997 (four days) in Vancouver.

3. TransCanada PipeLines Limited - 1997 Tolls - RH-1-97

Reasons for Decision dated September 1997; issued on 18 September 1997.

The Board approved TransCanada's applied-for net revenue requirement for toll design and cost allocation purposes of \$1.704 billion for 1997, subject to any changes that may be required as a result of the Board's decisions.

The Board has approved a rate of return on rate base of 9.85 per cent for TransCanada in 1997. This includes a rate of return on common equity of 10.67 per cent which was approved by the Board on 14 March 1997 in accordance with the adjustment mechanism established by the Board in its RH-2-94 decision on cost of capital matters. The rate base approved by the Board for 1997 is the applied-for \$7.427 billion.

During the hearing, the Board also considered two main issues. First, the Board approved TransCanada's proposal to enter into a combination of storage, balancing and transportation contracts, and to purchase "start up" gas to replace the Firm Service Tendered (FST) service which The Consumers' Gas Company Ltd. and Union Gas Limited have elected to convert to Firm Service from FST. Second, the Board approved the continued use by TransCanada of its existing methodology of using metered volumes in calculating load centres for the purpose of calculating tolls.

The Board considered these matters at a public hearing held from 28 to 30 July 1997 (three days) in Calgary.

Hearing Decisions Pending

1. Sable Gas Projects - GH-6-96

A public hearing was held from 7 April to 14 July 1997 (54 days) in Halifax and Fredericton to consider the Sable Gas Projects applications. Informal hearings were also held

in Moncton, New Brunswick on 4 April 1997 and in Antigonish, Nova Scotia on 5 April 1997.

The public hearing was held to consider:

- a proposal by Mobil Oil Canada Properties, Shell Canada Limited and others to develop six offshore gas fields in the area of Sable Island. This proposal includes a pipeline to bring the gas to shore, a gas plant at Goldboro, Nova Scotia, a pipeline to ship natural gas liquids from the gas plant to Point Tupper, Nova Scotia and storage facilities for the natural gas liquids at Point Tupper; and
- a proposal by Maritimes & Northeast Pipeline Management Ltd. (M&NPP) to construct a pipeline to transport the gas from the gas plant through Nova Scotia and New Brunswick to the United States border near St. Stephen, New Brunswick, where the pipeline will connect with a pipeline to be constructed in the United States that will transport the gas to markets the northeastern United States.

On 10 September 1996, a five person Panel was established, pursuant to the *Agreement for a Joint Public Review of the Sable Gas Projects*, to conduct the review of the Sable Gas Projects. This Agreement was developed to avoid jurisdictional overlap and duplication. The parties to the agreement are the federal ministers of Environment and Natural Resources, the Nova Scotia ministers of Environment and Natural Resources, the National Energy Board and the Canada-Nova Scotia Offshore Petroleum Board.

The environmental and socio-economic effects of these projects were considered by the Joint Public Review Panel consisting of the five members. Three members of the Panel also considered certain aspects of these projects as members of the National Energy Board and one member of the Panel considered certain aspects as a Commissioner for the Canada-Nova Scotia Offshore Petroleum Board.

On 7 March 1997, Trans Québec & Maritimes Pipeline Inc. (TQM) filed intervenor evidence in which it presented a routing option for the pipeline shipping gas from the Sable project through New Brunswick and Quebec. Further, TQM requested that either the proceeding for the M&NPP be adjourned, or the decision on the M&NPP application be delayed until such time as TQM can file a pipeline approval application and be heard (see item 1 under *Hearing Applications Filed* on page 4).

On 17 March 1997, the Joint Panel decided that it would not adjourn the hearing. With respect to TQM's second request for a delay in the decision on the M&NPP's pipeline application, the Panel decided that it would deal with that matter at the close of the proceeding, following final arguments. Accordingly, the Joint Panel decided to proceed to hear evidence and argument relating to TQM's written submission during the hearing.

2. *Interprovincial Pipe Line Inc. - Reversal of Line 9 - OH-2-97*

The Board held a public hearing from 5 August to 10 September 1997 (21 days) in Calgary and London on an application from Interprovincial to reverse the direction of flow of its pipeline between Montreal and Sarnia. The pipeline is known as Line 9. Interprovincial proposes to transport imported crude oil in an east to west direction from Montreal to major refining centres in Ontario. The crude oil will be imported into Canada through the Portland/Montreal pipeline system. The estimated cost of reversing the flow on the 832-kilometre (517-mile) system is approximately \$89 million with a planned in-service date of 1 July 1998.

3. *Novagas Canada Ltd. (Novagas) - Westcoast Energy Inc. Gas Stripping Arrangements at Taylor, British Columbia - MH-2-97*

The Board held a public hearing from 15 to 29 September 1997 (four days) in Calgary on an application from Novagas asking the Board to inquire into and determine the appropriateness of certain actions of Westcoast and provisions of its pipeline tariff, including its toll schedules. The application deals with the practices of Westcoast with respect to gas stripping arrangements with Solex Developments Company Inc. at Taylor, British Columbia.

4. *TransCanada PipeLines Limited - 1998 Facilities - GH-2-97*

The Board held a public hearing from 22 September to 1 October 1997 (six days) in Calgary on a revised application from TransCanada to construct and operate new pipeline facilities for 1998. The revised application replaces TransCanada's original Phase 1 NEXUS application which included pipeline facilities that would eventually form part of a separate line capable of operating at higher pressures than on its existing system.

In its revised application, TransCanada applied to construct approximately 308.4 kilometres (191.2 miles) of pipeline looping and install 11 new compressors, additional metering facilities at five stations and various other related facilities.

The applied-for facilities would permit TransCanada to convert 4 255 million cubic metres (150.2 billion cubic feet) of Firm Service Tendered annual contract quantity to approximately 11.7 million cubic metres (412 million cubic feet) per day of Firm Transportation service. The expansion would also provide a total of approximately 10.0 million cubic metres (351.6 million cubic feet) per day of new Firm Transportation service from Empress, Alberta of which 16.6 per cent would be for domestic customers in Manitoba, Ontario and Quebec, while the remainder would be for export. It would also provide approximately 1.8 million cubic metres (65 million cubic feet) per day of new short

haul Firm Transportation service from St. Clair, Ontario to East Hereford, Quebec.

The estimated cost of the proposed facilities is \$824.9 million with a planned in-service date of 1 November 1998.

Hearings Scheduled

1. *Trans Quebec & Maritimes Pipeline Inc. (TQM) - Natural Gas Pipeline - PNGTS Extension (PNGTS is Portland Natural Gas Transmission System) - GH-1-97*

The Board will hold a public hearing commencing on 17 November 1997 in Montreal on an application by TQM for approval to construct a natural gas pipeline, to be known as the "PNGTS Extension", from Lachenaie, Quebec to the New Hampshire border near Pittsburg, U.S.A. The Board will also hold a portion of the hearing in Magog, Quebec. The hearing will also be used as a forum for public participation in the comprehensive study of the project to be conducted under the *Canadian Environmental Assessment Act* (CEAA).

To facilitate participation of the public in the Board's hearing process, Board staff conducted seminars in Coaticook, Magog, Granby and Sainte-Julie, all in the province of Quebec, from 29 September to 2 October 1997. The seminars were held to explain the processes and procedures related to the hearing and to routing and land acquisition matters and to answer related questions.

TQM applied for approval to construct a 213.2-kilometre (132.2-mile) natural gas pipeline from Lachenaie to the Canada/U.S. border near East Hereford, Quebec. TQM also requested approval to install, for the first year of operation, a 7.0 megawatt electric motor driven compressor unit at Lachenaie and two meter stations, one at Waterloo and one at East Hereford. In the second year of operation, TQM proposes to install an additional 3.2 megawatt electric motor driven compressor unit at East Hereford and one gas after-cooler unit at Lachenaie. The estimated cost of the project is \$270 million and the proposed in-service date is 1 November 1998.

TQM stated that the additional facilities from Lachenaie to East Hereford will be required to provide transportation services requested by TransCanada PipeLines Limited to transport natural gas to PNGTS to supply markets in the U.S. Northeast. TQM further stated that the proposed facilities will also be required to respond to significant additional market requirements by Gaz Métropolitain and Company Limited Partnership for the Eastern Townships of Quebec.

Beginning 1 November 1998, 4.3 million cubic metres (152.2 million cubic feet) of natural gas per day would be delivered at East Hereford to supply markets in the U.S. Northeast and 1.7 million cubic metres (60.0 million cubic feet) per day would be delivered at Waterloo to supply mar-

kets in the Eastern Townships. In the second year of operation the deliveries would increase to 5.9 million cubic metres (210.0 million cubic feet) per day for East Hereford and to 2.1 million cubic metres (75.0 million cubic feet) per day for Waterloo.

2. Alliance Pipeline Ltd. - Natural Gas Pipeline - GH-3-97

The Board will hold a public hearing commencing on 17 November 1997 in Calgary (portions of the hearing will also be held in Fort St. John, Edmonton and Regina) on an application from Alliance for approval to construct the Canadian portion of a natural gas pipeline and associated facilities from northeastern British Columbia and northwestern Alberta to the midwest United States. Alliance is also seeking related toll and tariff authorization. The hearing will also be used as a forum for public participation in the comprehensive study of the project to be conducted under the *Canadian Environmental Assessment Act*.

To facilitate participation of the public in the Board's hearing process, Board staff conducted public seminars in Fort St. John, Edmonton and Regina between 18 and 23 September 1997. The seminars were held to explain the hearing procedures and routing and land acquisition matters and to answer related questions.

The Canadian portion of the Alliance Pipeline Project would consist of (i) approximately 1 565 kilometres (970 miles) of mainline and related facilities from a point near Gordondale, Alberta to a point on the Canada/U.S. border near Elmore, Saskatchewan and (ii) approximately 770 kilometres (480 miles) of lateral pipelines and related facilities in British Columbia and Alberta. The U.S. portion of the mainline, to be constructed by Alliance Pipeline L.P., would extend approximately 1 430 kilometres (890 miles) to the system's terminus near Chicago, Illinois. The system would be capable of delivering 37.5 million cubic metres (1.325 billion cubic feet) of natural gas per day.

The estimated cost of the Canadian portion of the project is \$1.9 billion and is proposed to be in service in late 1999.

Hearings Postponed

1. Mr. Robert A. Milne, 3336101 Ontario Limited, c.o.b. as Milne Crushing & Screening - MH-1-97

On 28 April 1997, the Board stayed the public hearing that was to commence on 24 June 1997 in Thunder Bay, Ontario to consider an application by Robert A. Milne for leave to work the aggregate situated below and adjacent to TransCanada PipeLines Limited's pipeline.

2. TransCanada PipeLines Limited - Contract Renewal Rights and Expansion Policy Requirements - RH-3-97

The Board has postponed a public hearing which was to commence on 29 September 1997 in Calgary, Alberta, to consider the issue of TransCanada's contract renewal rights provisions as well as TransCanada's expansion policy requirements concerning the market and supply evidence to be provided by expansion shippers.

Written Hearings

Recent Hearing Decision

1. Various Gas Exports - GHW-1-97

Reasons for Decision dated September 1997; issued on 30 September 1997.

The Board approved has approved nine applications to export some 29.6 billion cubic metres (1 040.0 billion cubic feet) of natural gas for periods of 10 years. The applications were from Coastal Gas Marketing Company (two applications) CoEnergy Trading Company, Enron Capital & Trade Resources Corp. (three applications), Ranger Oil Limited, United States Gypsum Company and Westcoast Gas Services Inc.

Under Consideration

2. Various Gas Exports - GHW-2-97

The Board is considering six applications for eight 10-year licences to export some 37.8 billion cubic metres (1.3 trillion cubic feet) of natural gas over the term of the licences. The applications are from Androscoggin Energy LLC, PanCanadian Petroleum Limited (two licences), ProGas Limited (three licences), Vermont Gas Systems, Inc. and Wascana Energy Inc.

Hearing Applications Filed

1. Trans Québec & Maritimes Pipeline Inc. (TQM) and TransMaritime Gas Transmission Ltd. (TMGT) - Natural Gas Pipeline - TransMaritime Pipeline Project

(Refer also to item 1 under *Hearing Decisions Pending* on page 2.)

On 26 June 1997, TQM filed an application for approval to construct a natural gas pipeline from Saint-Nicolas, Quebec to the New Brunswick border. On 28 August 1997, TMGT applied for approval to construct a natural gas pipeline from Country Harbour, Nova Scotia to the New Brunswick/Quebec border near Edmundston, New Brunswick. The TMGT facilities would interconnect with the TQM

Extension. The TMGT facilities, together with the TQM Pipeline Extension, form the TransMaritime Pipeline Project (TMPP).

TMGT and TQM have requested that the Board and the Joint Public Review Panel for the Sable Island Gas Projects amend Hearing Order GH-6-96 so as to include the TMPP as an alternative to the Maritimes & Northeast Pipeline Project in the context of the Sable Gas proceedings. On 24 September 1997, the Board advised the Applicants that, pending the release of the Sable Gas Joint Panel Report and GH-6-96 related decisions, it is not in a position to deal with these matters.

TQM plans to construct a 262-kilometre (192-mile) pipeline from Saint-Nicolas, Quebec to the New Brunswick border. TQM also proposes to construct 13.5 kilometres (8.4 miles) of looping from St. Nicolas to Augustin-de-Desmaures, Quebec, install three 7-megawatt electric compressor stations to transport additional volumes to East Hereford for delivery to Portland Natural Gas Transmission System and four meter stations for delivery of gas to Gaz Métropolitain and Company Limited Partnership's markets in Cabano, Rivière-du-Loup, La Pocatière and Montmagny, all in the province of Quebec. The estimated cost of the TQM project is \$305.3 million with a planned in-service date of 1 November 1999.

TMGT plans to construct a 642-kilometre (396-mile) pipeline from the proposed Sable Offshore Energy Project gas processing plant in Country Harbour, Nova Scotia through the provinces of Nova Scotia and New Brunswick to connect with the proposed TQM facilities at the New Brunswick/Quebec border. The TMGT pipeline system also includes a branch of the mainline, the Saint John River Valley Connector, extending 80 kilometres (49 miles) from a point near Chipman, New Brunswick to a point terminating near Evandale, New Brunswick. Additional facilities would include a 7.0 megawatt compressor station near Saint Amand, New Brunswick. The estimated cost of the TMGT project is \$629 million with a planned in-service date of 1 November 1999.

2. AEC Suffield Gas Pipeline Inc. - Natural Gas Pipeline

On 15 September 1997, AEC Suffield filed an application to construct a natural gas pipeline from southeastern Alberta to southwestern Saskatchewan.

AEC Suffield plans to construct a 114-kilometre (71-mile) pipeline and associated control facilities from near the southwestern corner of the Suffield Military Block in Alberta, extending along the southern end of the military block and then northeast to join TransCanada PipeLines Limited's system near Burstall, Saskatchewan. The pipeline will have a design capacity of approximately 5.67 million cubic metres (200 million cubic feet) of natural gas per day. The estimated

cost of the project is \$26.2 million with a planned in-service date of 1 November 1998.

Hearing Application Suspended

1. Crowsnest Pipeline Project (CNP) - Natural Gas Pipeline

On 20 August 1997, the Board, at the request of the applicants, suspended consideration of the CNP application until such time that CNP advises the Board that there has been a change in the status of the Projects.

On 26 May 1997, CNP, on behalf of ATCO Gas Pipelines a division of ATCO Gas Services Ltd. and Shell Canada Limited, filed an application for approval to construct a natural gas pipeline and for an order with respect to tolls and tariffs.

CNP proposed to construct a 78.6-kilometre (49-mile) pipeline from Shell's Waterton Gas Plant in southwestern Alberta to Alberta Natural Gas Company Ltd's Compressor Station No. 1 located about four kilometres west of the British Columbia border. The pipeline would be principally used to transport gas produced at Shell's Waterton Gas plant for delivery to the export market. The estimated cost of the project is \$35 million and the planned in-service date is mid-October 1998.

Hearing Application Withdrawn

1. Penn West Petroleum Ltd. - Natural Gas Pipeline - The Wildboy Project

On 27 August 1997, Penn West withdrew its application for the Wildboy Pipeline Project. The Company stated that it had negotiated an arrangement with Novagas Canada Ltd. to transport Wildboy gas on the existing NCL MidWinter Pipeline.

On 18 July 1997, Penn West applied to construct a 64.4-kilometre (40-mile) pipeline from its Wildboy field near Fort Nelson, British Columbia to a NOVA Gas Transmission Ltd. metering facility located in Alberta. These facilities would have enabled natural gas produced and processed by Penn West from the Wildboy area to be delivered to markets served by the Penn West. The estimated cost of the project was \$15 million and the planned in-service date was 1 April 1998.

Hearing Applications to be Filed

1. TransCanada PipeLines Limited - TransVoyageur Natural Gas Pipeline Project

On 11 August 1997, TransCanada filed a Notice of *Intention to File and Request for Initiation of the Scoping Process for an Environmental Assessment* in which it requested that the Board, along with the Canadian Environmental Assessment Agency, initiate an environmental scoping process for its pro-

posed TransVoyageur natural gas pipeline project. TransCanada applied on behalf of TransVoyageur Transmission Limited, which is wholly owned by TransCanada.

TransCanada advised the Board that in the Fall of 1997, TransVoyageur intends to file an application to construct a 1 000-kilometre (620-mile) pipeline from Empress, Alberta to a point near Emerson, Manitoba. The TransVoyageur system would parallel TransCanada's system from Empress to a point near either Brandon or Portage La Prairie, Manitoba. The Company is currently looking at two possible corridors for the pipeline, one of which is expected to trigger a Comprehensive Study under the *Canadian Environmental Assessment Act*.

The TransVoyageur system, as proposed, would increase existing pipeline capacity by up to 57 million cubic metres (2.0 billion cubic feet) per day. The planned in-service date is 1 November 1999.

2. St. Clair Pipelines (1996) Ltd. - Dawn to Lake Erie Natural Gas Pipeline

On 26 September 1997, St. Clair filed a *Notice of Intention to File and Request for Initiation of the Scoping Process for an Environmental Assessment* in which it requested that the

Board, along with the Canadian Environmental Assessment Agency, initiate an environmental scoping process for its proposed Dawn to Lake Erie natural gas pipeline project.

St. Clair advised the Board that, in the Fall of 1997, it intends to file an application to construct and operate a new natural gas pipeline from the Union Gas Limited Dawn Compressor Station near Sarnia, Ontario to the shore of Lake Erie, near Port Stanley, Ontario. Referred to as the "Dawn to Lake Erie Pipeline", the pipeline will connect with the proposed Lake Erie Pipeline to be constructed and operated by TransCanada PipeLines Limited, which will in turn connect with the proposed Millennium Pipeline Project at the Canada/U.S. border in Lake Erie. Millennium represents a partnership of Columbia Gas Transmission, CMS Energy, MCN Energy, Westcoast Energy (U.S.) Inc. and TransCanada.

The Dawn to Lake Erie Pipeline will consist of approximately 85 kilometres (52.7 miles) of pipeline. The pipeline will have a capacity of 18.4 million cubic metres (650 million cubic feet) per day, with a potential future capacity of 36.8 million cubic metres (1 300 million cubic feet) per day with additional downstream compression. The proposed facilities are estimated to cost \$178 million and the anticipated in-service date is 1 November 1999.

Other Applications

The Board had, or has, before it a number of applications and other matters that do not require public hearings. Since the 1 July 1997 issue of the *Regulatory Agenda*, the matters below have been or are being considered by the Board.

Natural Gas Matters

Matters Completed

1. Alberta Northeast Gas Limited and TransCanada Gas Services - Contract Amendments - Natural Gas Export Licence GL-102

On 30 September 1997, the Board approved an application dated 10 September 1997 from ANE and TransCanada for amendments to the gas sales contracts underpinning export Licence GL-102. Under Licence GL-102, ANE exports natural gas to several local distribution companies in the states of New York, New Jersey, Connecticut, New Hampshire, Massachusetts and Rhode Island.

2. Imperial Oil Resources Limited and Southern California Edison Company (SoCal) - Revoke Natural Gas Export Licence GL-211

On 20 August 1997, the Board approved a joint application dated 15 August 1997 from Imperial and SoCal to revoke

Licence GL-211. The applicants stated that following electric restructuring legislation in California and the electric restructuring decision of the California Public Utilities Commission, SoCal is selling all its gas-fired electric generation facilities. As a result, SoCal will no longer require the gas supply from Imperial underpinning exports under Licence GL-211.

3. New England Power Company (NEP) and Sceptre Resources Limited - Amended and Restated Natural Gas Purchase Agreement - Natural Gas Export Licence - GL-160

On 26 August 1997, the Board approved an application dated 10 June 1997 from NEP and Sceptre for approval of an Amended and Restated Natural Gas Purchase Agreement which restates their original Gas Sales Contract dated 31 August 1988 underpinning exports under Licence GL-160. Under Licence GL-160, NEP exports natural gas to its facilities in Massachusetts and Rhode Island.

4. PanEnergy Marketing Limited Partnership and Duke Energy Marketing Limited Partnership - Name Change - Natural Gas Export Licences GL-269, GL-145 and GL-147

On 22 September 1997, the Board approved applications dated 4 and 9 July 1997 from PanEnergy and Duke Energy

to amend Licences GL-269, GL-145 and GL-147 to change the name in the Licences from PanEnergy to Duke Energy as the holder of the Licences.

Matter Under Consideration

5. Engage Energy Canada, L.P. - Transfer of Gas Export Licences

On 7 May 1997, Engage applied for approval to transfer Licences GL-187, GL-221, GL-222, GL-223, GL-224, GL-225, GL-226 and GL-227 from Westcoast Gas Services Inc. to Engage Energy Canada, L.P.

Consideration of the application is pending upon receipt of further information to be filed by the applicant.

Electricity Matters

Matters Completed

1. James Maclaren Industries Inc. - Application for Electricity Export Permits

On 16 July 1997, the Board approved an application dated 10 April 1994 from James Maclaren for permits to export up to 1 000 megawatts of firm power and up to 8 760 gigawatt hours of energy annually on a firm or interruptible basis for a 10-year term.

2. British Columbia Power Exchange Corporation (PWX) - Amendment of Electricity Export Permits EPE-41, EPE-42, EPE-43 and EPE-44

On 16 September 1997, the Board approved an application dated 22 May 1997 from PWX, on behalf of itself and BC Hydro, to amend the above noted orders to extend their termination date by one year to 30 September 1998.

The Board sought comments from interested parties on the application.

Pipeline Matters

Matters Completed

1. Safety Audit Report

On 30 July 1997, the Board adopted the Safety Management Audit Report for monitoring compliance with the *Onshore Pipeline Regulations* and the *Pipeline Crossing Regulations* for Westspur Pipe Line Company Inc.

2. Federated Pipe Lines (Northern) Ltd. - Variation of Certificate OC-42

On 5 September 1997, the Board approved an application dated 10 July 1997 from Federated for approval of the following variations to Certificate OC-42: (1) relief from the

requirement to demonstrate that land rights to the aggregate extraction area have been obtained; (2) amendment of the construction schedule; (3) deferment of the installation of redundant pumps at the pump stations; and, (4) use of line pipe of a different wall thickness than originally proposed.

Certificate OC-42 authorized Federated to construct approximately 172 kilometres (106 miles) of pipeline to transport crude oil, segregated condensate, ethane plus and propane plus from facilities at Taylor, British Columbia to an interconnection with a proposed pipeline at Belloy, Alberta.

3. Interprovincial Pipe Line Inc. - Vary Certificate OC-41

On 29 August 1997, the Board approved an application dated 4 April 1997 from Interprovincial for approval of design changes to the pump motors that were, *inter alia*, the subject of Hearing OH-1-96 (System Expansion Program Phase II) and subsequently approved under Certificate OC-41 (refer to item 1 under *Recent Hearing Decisions* on page 1 of issue No. 58 of the *Regulatory Agenda* dated 1 October 1996.)

The Board sought comments from interested parties on the application.

4. Renaissance Energy Ltd. - Construct Oil and Natural Gas Pipelines

On 29 September 1997, the Board approved an application dated 6 August 1997 from Renaissance for approval to construct two 9.4-kilometre (5.8-mile) pipelines, one to transport natural gas and one to transport oil.

The oil pipeline will be used to transport oil from the Northend Battery, owned by Renaissance, located at 16-20-28-W3M in Saskatchewan to Green Glades located at 12-28-40-01 W4M in Alberta. The gas pipeline will be used to transport raw natural gas from a gas well located at 01-17-40-28 W3M in Saskatchewan to facilities located at Green Blades and subsequent delivery to the Cadogan Gas Plant located at 8-14-40-03 W4M in Alberta. The estimated cost of both pipelines is \$1.27 million.

5. Section 58 Applications

The Board has approved or is considering several applications under section 58 of the NEB Act involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. These matters may be considered by the Board without a public hearing. During the period covered by this *Regulatory Agenda*, the Board approved 21 section 58 applications for a total of \$29 315 339. See Appendix III for a description of the applications approved or under consideration.

Matters Under Consideration

6. AEC West, a business unit of AEC Oil and Gas Partnership as Agent for Alberta Energy Company Ltd. - Pipeline Construction

On 24 December 1996, AEC West applied for approval to construct and operate sour and fuel gas pipelines, known as the "Tupper-Hythe Pipelines", from British Columbia to AEC West's Hythe sour gas plant located at 11-18-74-12 W6M in Alberta. The Tupper-Hythe Pipeline would extend 16.7 kilometres (10.4 miles) and consist of a sour gas line and a fuel gas line to be laid in the same ditch. The estimated cost of the project is \$3 457 000.

On 13 February 1997, AEC West requested that the application be held in abeyance until further notice. AEC West has been unable to reach an agreement with a third party shipper on the proposed project.

7. CML Resources Ltd. and Renaissance Energy Ltd. - Sale and Purchase of an Inter-Provincial Polyethylene Fuel Gas Pipeline

On 21 November 1996, CML applied for approval to sell and Renaissance applied for approval to purchase an inter-provincial polyethylene fuel gas pipeline. The pipeline, originally owned by Koch Exploration extends for 200 metres (656 feet) crossing the Alberta/Saskatchewan border.

On 9 January 1997, the Board sent a letter to Renaissance requesting additional information.

8. Canadian Natural Resources Limited (CNR) - Construct a Natural Gas Pipeline

On 11 June 1997, CNR applied for approval to construct a 2.5-kilometre (1.5-mile) natural gas pipeline from a gas well installation at LSD 10-12-55-1 W4M in Alberta to connect to an existing CNR gas gathering pipeline system at LSD 6-17-55-27-W3M in Saskatchewan. The estimated cost of the project is \$215 200.

On 17 July and 21 August 1997, the Board sent a letters to CNR requesting additional information.

9. Northstar Energy Corporation - Construct a Natural Gas Pipeline

On 23 May 1997, Northstar applied for approval to construct a 7.2-kilometre (4.5-mile) natural gas pipeline from the Coleman Gas Plant located west of Coleman in Savanna, Alberta to connect to Alberta Natural Gas Company Ltd's main transmission pipeline west of the Alberta/British Columbia border. The estimated cost of the project is \$6.5 million.

On 20 August 1997, the Board sent a letter to Northstar requesting additional information.

Traffic, Tolls and Tariff Matters

Matters Completed

1. TransCanada PipeLines Limited - Parking and Loan Service (PALS)

On 8 July 1997, the Board approved, for a one-year period, an application dated 21 March 1997 from TransCanada to extend the provisions of the PALS at all receipt and delivery points on the TransCanada system. TransCanada had proposed the PALS be provided on a permanent basis.

In October 1996, TransCanada began offering service under the PALS Pilot Tolls Schedule. The PALS was offered at the Niagara and Iroquois delivery points on the TransCanada system, allowing parties to either take gas from or provide gas to the system in return for a fee and the agreement that the balance of gas would be repaid at a later date at the same point on the system. TransCanada stated that through the use of the Pilot, it determined that PALS is a useful tool in increasing shippers' flexibility and in managing linepack on the system.

The Board conducted a written proceeding to deal with this matter.

2. TransCanada PipeLines Limited - Interim Reports of the 1998 Tolls Task Force

TransCanada has applied for approval of several resolutions as contained in the Interim Reports of the 1998 Tolls Task Force. The Board approved the following:

Resolution Nos.	Date approved
98-01 to 98-03	14 January 1997
98-04 to 98-06	20 February 1997
98-08 to 98-11	27 March 1997
98-07 and 98-12	15 April 1997
98-13 and 98-14	8 May 1997
98-15 to 98-19	29 May 1997
98-20	20 June 1997
98-21	21 August 1997
98-22 and 98-23	22 August 1997
98-24	24 September 1997

Matters Under Consideration

3. Government of the Northwest Territories (GNWT) - Complaint and Notice of Motion - Tolls and Tariffs of Interprovincial Pipe Line (NW) Ltd. IPL(NW) - Norman Wells Pipeline

(For more information on this matter refer to item 8 under Traffic and Toll Matters on page 9 of issue No. 58 of the Regulatory Agenda dated 1 October 1996.)

4. *PanCanadian Petroleum Limited - Request for Condensate Transportation*

On 17 September 1996, PanCanadian requested that the Board order Amoco Canada Petroleum Company Ltd. to reinstate the condensate transportation service between Marysville, Michigan and Sarnia, Ontario. In 1995, Amoco removed from condensate service an eight-inch (20.32-centimetre) pipeline crossing the St. Clair River to put it into liquified petroleum gas service.

On 24 December 1996, the Board sent a letter to PanCanadian and Amoco informing them that it was considering the possibility of holding an oral public hearing to examine the PanCanadian request. However, the Board advised that it will not take further steps on this matter until such time as PanCanadian provides an update regarding the current status of its request and the status of the U.S. connector pipeline.

5. *TransCanada PipeLines Limited - Service from Third Party Providers*

On 25 July 1997, TransCanada applied for approval for a general authorization to contract for certain third party services on a short-term basis in order to enhance discretionary service and revenue on the TransCanada system without requiring prior deal-specific approval from the Board on a case by case basis. The Company also sought approval to net such party costs against the discretionary revenues generated and to share the net revenues on a 1/3:2/3 basis between TransCanada and firm shippers respectively.

In Article 5.1 of the *Incentive Cost Recovery and Revenue Sharing Settlement* it is required that TransCanada obtain Tolls Task Force or the Board's approval before contracting for any transportation service or capacity set out in Schedule 5.1 of the Settlement. TransCanada noted that due to market volatility and short bidding periods, there is insufficient time for TransCanada to obtain normal approval from the Tolls Task Force and the Board for acquisition of such third party services. Consequently, opportunities to enhance discretionary services and revenues will have been foregone if it were necessary to obtain approvals for each specific deal in advance. It is intended that all of these services would enhance discretionary service and revenue on the TransCanada system without having to obtain prior approval of the Board on a case by case.

The Settlement presently specifies that TransCanada retain 1/3 of gross revenue generated from discretionary services such as Short-Term Firm Transportation and Interruptible Transportation. Shippers currently retain 2/3 of gross discretionary revenues, but also incur 100 per cent of costs, including third party costs. In order to increase risk and reward symmetry between TransCanada and its shippers, it is being proposed that the Company and its firm shippers share both the costs and revenue from third party arrangements on a 1/3:2/3 basis. This approach is meant to fully align the interests of TransCanada and its firm shippers.

On 8 August 1997, the Board sought the views of interested parties regarding whether a process, either written or oral, is needed in order for the Board to further consider this application. As a result, this application is being considered by way of a written process.

Frontier Matters

1. *Frontier activities for the third quarter of 1997*

- (a) Approval was given, pursuant to paragraph 5(1)(b) of the Canada Oil and Gas Operations Act (COGOA), to Imperial Oil Resources for the following at Norman Wells:
 - (i) to temporarily suspend drilling operations at Imp Norman Wells M-42X (approved on 16 August 1997);
 - (ii) for field tie-ins and related facilities associated with wells to be drilled during Imperial Oil Resources Limited's 1997 Infill Drilling Program (approved on 16 July 1997);
 - (iii) to construct a 10" NPS crude pipeline and a 6"4"/3" NPS injection pipeline (approved on 16 July 1997);
 - (iv) to reactivate line #298 (approved on 21 July 1997);
 - (v) to proceed with design changes for the "Norman Wells Field Separation Project" (approved on 7 August 1997); and
 - (vi) to install a seven well cellar on island 5 in the Norman Wells field (approved on 3 September 1997).
- (b) On 9 September 1997, Suncor Inc. was directed to properly terminate wells SUN SOBC BVX ET AL GARRY P-04 and SUN CCL BVX ET AL GARRY G-07 pursuant to subsection 209(2) of the Canada Oil and Gas Drilling Regulations (COGDR).
- (c) Approval was given to Ranger Oil Ltd. for the following:
 - (i) to abandon the lower section of the Ranger Fort Liard P-66 well pursuant to section 208(b) of the COGDR (approved on 16 July 1997); and
 - (ii) "Authority to Drill a Well", pursuant to section 83 of the COGDR was given for the Ranger Fort Liard P-66A well (approved on 18 July 1997).
- (d) On 22 August 1997, approval was given to Northern Cross (Yukon) Limited to maintain suspended status for a three year period, pursuant to section 218 of the COGDR of the following wells:

Socony Mobil WM Chance YT G-08
Canoe River Chance YT J-19
Socony Mobil WM Blackie YT M-59
Western Minerals Chance YT M-08.

- (e) Four applications for geological or geophysical operation authorization were received, as well as one amendment to a previous application. Three applications were approved pursuant to section 5 of the COGOA as follows:

Company	Area	Approval Date
AEC West	Norman Wells, NWT	7 July 1997
AEC West	Ft. Good Hope, NWT	12 August 1997
PanCanadian	Ft. Simpson, NWT	10 September 1997

One application from the previous quarter was withdrawn, as was one from this quarter. The amendment to the previous application is being reviewed.

Safety Matters

1. *Presentations on the Findings of the Stress Corrosion Cracking (SCC) Inquiry*

On 24 July 1997, the Board released a document entitled *Staff Notes on Community Meetings*. As part of its inquiry into SCC on Canadian Oil and Gas Pipelines, the Board visited four communities to obtain their views on the effects of SCC failures on people living close to the pipeline. At the request of those communities, the Board also committed to report back to them following the release of the Inquiry Report. In March and April 1997, Board staff held meetings in Rapid City, Manitoba and Williamstown, Vermilion Bay, and Ilderton, Ontario.

The primary objective of the meetings was to present the findings of the SCC Inquiry. During the meetings, concerns were raised with respect to SCC, the safety of pipelines, the role of the Board, land issues, pipeline operations and maintenance, and many other topics. The document *Staff Notes on Community Meetings* summarize the major concerns raised at the meetings and the Board's responses to them.

In the Board's view, many of the comments raised by the communities underscore the need for improved communication between the Board and the public, especially landowners. The Board will take these comments into consideration in the future when deliberating on matters that may affect the public.

2. *NEB Response to the Transportation Safety Board of Canada (TSB) Occurrence Report No. P95H0036*

On 15 July 1997, the TSB released a report on a natural gas pipeline incident which occurred on 29 July 1995 near Rapid City, Manitoba. The incident took place at TransCanada PipeLines Limited Compressor Station 30. As a result of its investigation, the TSB made two recommendations and expressed a safety concern to the Board as follows:

P97-01

The National Energy Board reassess the design provisions for "emergency shut-down" anywhere in the pipeline system with a view of ensuring rapid isolation from the flow of product in the event of a ruptured line.

P97-02

The National Energy Board reassess the adequacy of the emergency shut-down systems at compressor stations, with a view to ensuring that operators are aware of the operating status of the system under emergency conditions.

Safety Concern

In view of the potential for catastrophic consequences in the event of a natural gas pipeline failure, particularly in highly populated areas, both vertical and horizontal separation of adjacent pipelines are essential to protect them from collateral damage. The Board is concerned that current standards may be inadequate in this regard.

On 3 October 1997, the Board sent a letter to companies under its jurisdiction that may be affected by the TSB recommendations advising that the Board will be reassessing the emergency shutdown (ESD) capabilities of pipeline systems under its jurisdiction. The Board sent a letter requesting information to gain a more detailed understanding of the factors which are pertinent to the issues of 1) hardening the onsite and remote ESD systems; 2) capability of the rapid shutdown systems; 3) isolation of a leaking pipeline from flowing fluid during an emergency; and 4) ensuring that operators are adequately acknowledged of their emergency command by the ESD system.

Appeals and Review

Appeals

Appeals Pending

1. BC Gas Utility Ltd. - Westcoast Energy Inc. - Grizzly Valley Application - GH-6-94

On 3 April 1996, BC Gas applied to the Supreme Court of Canada for leave to appeal the Federal Court of Appeal's decision of 9 February 1996 in which it decided that the Fort St. John Expansion Project and the Grizzly Valley Expansion Project in northeastern British Columbia were under the Board's jurisdiction.

Leave to appeal was granted by the Supreme Court of Canada on 30 October 1996. A Constitutional Question has been formulated. The Court will hear the appeal in November 1997.

2. Canadian Hunter Exploration Ltd. - Tidal Resources Inc.

On 22 August 1996, Canadian Hunter filed with the Federal Court of Appeal an application for leave to appeal the Board's decision of 25 July 1996 in which it decided, as a result of the approval of Tidal Resources' application to construct a pipeline, that it had jurisdiction over certain upstream gathering facilities located within the province of British Columbia which are owned and operated by Canadian Hunter.

On 7 November 1996, the Federal Court of Appeal granted the leave to appeal application. An appeal has been filed and will be heard by the Court at a later date.

3. Hydro-Québec - Access to Export Contract

On 23 September 1996, Hydro-Québec filed a Notice of Motion with the Federal Court, Trial Division to review the Board's decision of 4 September 1996, pursuant to section 44(1) of the *Access to Information Act*, in which the Board decided that a copy of a firm diversity contract between Hydro-Québec and Consolidated Edison would be made available to Mouvement Au Courant as requested.

Pursuant to a preliminary motion, the Federal Court Trial Division held that it was appropriately seized of the matter via the *Access to Information Act*.

4. Richard Leroux and 417 Auto Wreckers Limited - TransCanada PipeLines Limited

On 6 May 1996, the Federal Court of Appeal quashed an application by Richard Leroux and 417 Auto Wreckers in which it sought an order for judicial review the Board's decision of 22 December 1995. However, the Federal Court of Appeal granted the application for leave to appeal the same

decision. In its decision, the Board found the aggregate application of Richard Leroux did not fall within section 81 of the NEB Act as it did not meet the requirement of "mines or minerals". An appeal has been filed and is scheduled to be heard by the Court in November 1997.

Review

Review Completed

1. Rocky Mountain Ecosystem Coalition, Alberta Greens and Ms. 'Zoe' C. T. Preston - Review of Gas Export Licences

On 8 August 1997, the Board dismissed applications from the above-mentioned parties that the Board initiate a detailed and public review of all outstanding natural gas export licences. In their application, the three parties suggest and that the gas reserves underpinning existing long-term gas export licences may no longer be adequate to support those licences and, therefore, exports under those licences may not be in the Canadian public interest. The concerns expressed in the applications for review were in reaction to the publication on 11 June 1997 of the results of Phase II of the joint Alberta Energy and Utilities Board and NEB review of unconnected gas reserves in Alberta (refer to item 2 under *Other Matters* at page 13 of the 1 July 1997 issue of the *Regulatory Agenda*). The impact of Phase II of the review of unconnected reserves is a reduction of approximately three percent of remaining reserves in Alberta.

The Board noted that the applicants had not provided information or evidence that any licence holders will be unable to meet their export commitments, nor had they provided any evidence of the link between unconnected gas reserves and specific export licences. The Board was of the view that the applicants had not raised any doubt as to the correctness of any of its previous decisions to grant gas export licences and, therefore, dismissed the application.

Amendments to Regulations

Amendments to the Board's regulations completed or in various stages of preparation, include the following:

1. Onshore Pipeline Regulations

On 8 April 1997, the Board forwarded a new draft consolidation of the *Onshore Pipeline Regulations* to the Department of Justice for legal review.

The Regulations specify the requirements for the protection of property and the environment and safety of the public and company employees in the design, construction, operation, maintenance and abandonment of an onshore pipeline. The current regulations have been in effect since June, 1989 and were amended in February 1996.

An amendment is being prepared to the above Regulation to change the reference to CSA Standard Z662-94 to Z662-96 and a Board Order is being planned to the same effect until the amendment is promulgated.

A set of companion guidelines to these Regulations is being prepared for completion by 31 March 1998.

2. Offshore Pipeline Regulations

The *Offshore Pipeline Regulations* will specify the requirements for the protection of property and the environment and the safety of the public and the company's employees in the design, construction, operation and abandonment of an offshore pipeline.

The Regulations are at the drafting stage with a first draft estimated by 31 March 1998.

3. National Energy Board Cost Recovery Regulations

Amendments to the *Cost Recovery Regulations* have been drafted and are being put forward for Treasury Board approval. Among other things, these amendments will

eliminate the need to amend the Schedules to include new companies as new generic definitions will encompass all companies subject to cost recovery. Other changes will result in greater efficiencies to the cost recovery processes.

4. Hydrocarbon Processing Plant Regulations

Draft *Hydrocarbon Processing Plant Regulations* are estimated to be completed in 1998.

5. Regulations and Guidelines Pertaining to Canada Oil and Gas Operations Act

The process of creating and amending regulations pertaining to oil and gas activities, under the provisions of the *Canada Oil and Gas Operations Act*, proclaimed in force in September 1992, is continuing. At present, the regulatory agenda is as follows:

Regulations and Guidelines being drafted

Canada Oil and Gas Occupational Safety and Health Regulations - Amendments

Canada Oil and Gas Drilling Regulations - Re-structuring

Canada Oil and Gas Production and Conservation Regulations - Amendment

Canada Oil and Gas Diving Regulations - Amendment

Newfoundland Offshore Area Petroleum Occupational Safety and Health Regulations

Nova Scotia Offshore Area Petroleum Occupational Safety and Health Regulations

Physical Environmental Guidelines for Drilling Programs on Frontier Lands

Other Matters

Canadian Association of Petroleum Producers (CAPP) - Pipeline Workshop

On 20 November 1996, CAPP requested that the Board hold a workshop to consider issues affecting the ability of pipeline companies to best serve the gas industry.

The Board subsequently solicited and received comments about a possible workshop, and suggested in a letter dated 4 March 1997 that such an initiative would be valuable. In that same letter, the Board also invited parties to provide an indication of their interest in participating in a working group, whose purpose would be to scope out a workshop and its format.

In order to gain broader industry ownership of the process, the Board successfully solicited representatives of the CAPP,

the Canadian Energy Pipeline Association (CEPA) and the Canadian Gas Association to serve as co-facilitators for the working group meeting. The co-facilitation team further defined the objective of the working group meeting as identifying general issues facing the regulator and industry and, where necessary, determining the process for dealing with these issues.

The working group met in Calgary on 16 September 1997. The working group decided that a workshop would not be required at this time. Instead, the CAPP and CEPA are to work together on specific issues largely meant to streamline the regulatory process. They intend to involve interested stake holders on an as needed basis, with a view of coming to the Board for approval once consensus is reached.

Administrative Matters

Appointments

On 4 September 1997, the Minister of Natural Resources Canada appointed Dr. Diana Valiela and Mr. Rowland J. Harrison as permanent Members of the Board and Gaétan Caron as a temporary Member of the Board.

Dr. Valiela earned her LLB at the University of British Columbia (UBC) in 1994. She holds a B.A. in Biological Sciences from Rutgers University, as well as both a master's degree and a Ph.D. in Zoology from Duke University. She is the author of more than 30 publications, including a book entitled *Biological Environmental Impact Studies: Theory and Methods*. Currently a lawyer with Lawson Lundell Lawson & McIntosh in Vancouver, Dr. Valiela was owner and manager of an environmental science and management consulting firm, between 1991 and 1994. Between 1983 and 1991, she was head of the Environmental Quality Objectives Division in Environment Canada's Pacific and Yukon Region office. While with Environment Canada, Dr. Valiela was Canadian chair of two committees under the Flathead River International Joint Commission Study Board. Prior to that, Dr. Valiela was a research associate at the University of British Columbia's Westwater Research Centre.

Dr. Valiela served as the Research Co-ordinator with Environment Canada's Fraser River Action Plan and as a member of the Steering Committee for the Multi-Stakeholder Working Group on Management of Pulp Mill Effluents in B.C. in 1991.

Mr. Harrison earned his Master of Laws from the University of Alberta in 1975. Prior to his appointment, he was a partner in the Calgary office of Stikeman, Elliott Barristers and Solicitors, specializing in energy regulation. He is a member of the Bar of Nova Scotia, Ontario and Alberta. Mr. Harrison has extensive experience as an advisor to provincial, territorial and federal governments in Canada as well as foreign governments in the area of oil and gas regulations. He has been a Professor of Law at the University of Ottawa, Dalhousie University, the University of Calgary and the University of Alberta. He was the founding Executive Director of the Canadian Institute of Resources Law at the University of Calgary.

Mr. Harrison has been a counsel before the NEB in various proceedings with respect to tolls and tariffs, pipeline facilities and gas export licenses since 1987. He also served as the Chairman of the Minister of Energy, Mines and Resources' (now called Natural Resources Canada (NRCan)) Task Force on Ocean Ranger Regulatory Recommendations, which provided advice on methods of implementing some of the recommendations by the 1986 Royal Commission on the Ocean Ranger disaster.

Mr. Harrison also served as the Chairman of NRCan's Task Force to prepare the CanadaPetroleum Resources Act, which included a consultation process that was declared a major-success by both industry and government.

Mr. Caron holds a degree in Rural Engineering from Laval University and a Master of Business Administration from the University of Ottawa, which he obtained in 1987. He has eighteen years of experience as an employee of the National Energy Board. Until August 1991, Mr. Caron worked in the Pipeline Engineering Branch, rising to the position of Director.

In September 1991, he became the Director of the Board's Financial Regulation Branch, a position he held until he was appointed Acting Executive Director in August 1994. In December 1994, Mr. Caron was confirmed as the Board's Executive Director.

Mr. Caron is a member of the Quebec Order of Engineers and the Association of Professional Executives of the Public Service of Canada.

Electronic Regulatory Filing

ERF Phase II Proof of Concept

During the Proof of Concept phase, ERF participants tested the standardized document models developed in Phase I to prove they are workable for creating, exchanging and reusing regulatory information. The Proof of Concept provided participants with hands-on experience using ERF technology, including the document repository which will eventually contain all electronic regulatory filings.

Improvements expected from a full implementation of the ERF initiative will be itemized in a cost benefit analysis due upon completion of the Proof of Concept in September 1997. A written assessment of the impacts associated with ERF implementation within participating organizations will also be prepared.

The detailed test plan prepared for the Proof of Concept phase covers training and technical support for participants. As part of the transition to full-scale implementation in participating organizations, the group will identify issues to be resolved, estimated human resource requirements, hardware and software requirements, and the timing of ERF implementation.

ERF Phase III Implementation

On 18 and 19 August, participants met in Edmonton to discuss business plans for ERF implementation. The project's committee structure has now been modified to focus on three main aspects of implementation: regulatory process needs; technical matters; and communications and education.

Based upon the results of the Proof of Concept and an updated Cost/Benefit analysis being prepared, a decision as to whether implementation will proceed will be taken in early October 1997. Depending on that decision, a document repository for public access and initial electronic filings could be available on the Internet in October.

Documents Issued - 1 July to 30 September 1997

Reasons for Decision

Amoco Canada Petroleum on behalf of Dome Kerrobert Pipeline Ltd. and PanCanadian Kerrobert Pipeline Ltd. - Natural Gas Liquids Pipeline - OH-1-97 - July 1997

Westcoast Energy Inc. - 1997 Tolls - RH-2-97 - August 1997

TransCanada PipeLines Limited - 1997 Tolls - RH-1-97 - September 1997

Various Gas Exports - GHW-1-97 - September 1997

Instructions for Filing

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 311 - Sixth Avenue S.W., Calgary, AB T2P 3H2; Telephone (403) 292-4800; Fax (403) 292-5503.

Appendix I lists the number of copies required for the different types of applications.

Telephone Numbers

Appendix II lists the telephone number of Board Members and key staff.

Web Site

Internet users are invited to visit the Board's Internet home page at www.neb.gc.ca.

Board Document System (BDS)

The Board's BDS system is available to the public, offering direct access to an electronic library of regulatory documents. Document contents may be searched on-line with full-text search capabilities. Presently, the system contains Reasons for Decision dating from 1985 and hearing transcripts from 1991. Other document types will be added gradually, as they become available in standardized electronic format. The BDS may be used from remote locations or at the Board's Calgary office. The only cost to users will be long-distance telephone charges, if any, to connect to the system.

All users are asked to register with the Board and sign a public access agreement. This agreement explains the responsibilities of the user and outlines relevant terms and conditions. Request for a user account may be made by mail, facsimile or telephone to our Regulatory Support Office (403) 292-4800. For more information, a brochure on the Board Document System is also available.

Mailing Lists

If you are not already on the Board's mailing lists and wish to be added thereto, please write to the Secretary of the Board providing your mailing address and the type of material you would be interested in receiving. The following are the Board's current mailing lists:

- L1: Everything the Board issues
- L4: Oil and gas matters
- L5: Electrical matters
- L6: Annual Report only
- L7: News Releases only
- L8: Regulatory Agenda only
- L9: Environmental matters

National Energy Board
M. L. Mantha
A/Secretary

For copies of documents contact:
Publications Office
Tel: (403) 299-3562
Fax: (403) 292-5503
Email: orders@neb.gc.ca

For information contact:
Denis Tremblay
Tel: (403) 299-2717
Fax: (403) 292-5503
Email: denis.tremblay@neb.gc.ca

Appendix I

Number of Copies Required for Filings

Applicants are requested to provide the following number of copies of their applications or other filings to the National Energy Board. For matters not listed below, one copy is sufficient.

Type of Application or Filing	No. of Copies	Type of Application or Filing	No. of Copies
(a) Hearing Matters		(iii) Oil Exports	
(i) Certificates		Registered Oil Export Orders	05
Pipeline	25	(iv) Tolls	
Power Line	20	Class I and II Adjustments	20
(ii) Export Licences		Interim Orders	20
Natural Gas	25	Operating and Maintenance Budgets	20
Electricity	20	Changes in Depreciation Rates	20
(iii) Tolls	25	Quarterly Surveillance Reports	20
(iv) Land Acquisitions	20	New or Changed Tariffs	20
(b) Non-Hearing Matters		Domestic Gas Sales Contracts and Amendments	20
(i) Natural Gas		Amendments to Tariff Orders	20
Export Orders	20	(v) Pipelines and Power Lines	
Orders for Transmission Access	20	Permits	15
Licence Amendments	20	Exemption Orders Pipelines (Sec. 58)	20
Amendments to Export Contracts	20	Certificate Amendments	20
Licence Revocations	20	Leave to Sell or Transfer	20
(ii) Electricity Exports		Incident Reports	20
Permits	15	(vi) Other	
Licence or Permit Amendments	15	Application for Review	20
Licence or Permit Revocations	15		

The number of copies of interventions or submissions to be provided in response to applications will be specified in the applicable hearing order. Private individuals who would find the provision of multiple copies an undue financial burden may file one copy, with a request to be excused from multiple filing.

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 311 - Sixth Avenue S.W., Calgary, Alberta, T2P 3H2: Telephone (403) 292-4800; Fax (403) 292-5503.

Appendix II

Selected List of Telephone Numbers

(Area Code 403)

General Information	292-4800
Incident Reporting Number	1-800-632-1663
	1-800-NEB-1-ONE
Publication Office	Tel: 299-3562
	Fax: 292-5503
	Email: orders @neb.gc.ca
Web Site	www.neb.gc.ca

Board Members

Chairman	Roland Priddle	299-2724
Chairman's Assistant	Esther Binder	299-2725
Secretary	Carmen Morin	299-2726
Vice-Chairman	Kenneth Vollman	299-2730
Secretary	Lillian Handelman	299-2741
Member	Anita Côté-Verhaaf	299-2739
Secretary	Lillian Handelman	299-2741
Member	Judith Snider	299-2737
Secretary	Louise Niro	299-2734
Member	Diana Valiela	
Secretary		
Member	Rowland J. Harrison	299-2736
Secretary	Louise Niro	299-2734
Temporary Member ^(a)	Robert Fournier	(902) 496-5112
Temporary Member ^(b)	Richard Revel	299-2740
	Caroline Healy	299-2728
Temporary Member ^(c)	Gaétan Caron	299-2700
	Jan Dane	299-2701

(a) Temporary member for the purpose of the review of the Sable Island Gas Projects.

(b) Temporary member appointed on 23 April 1997 for a term of nine months.

(c) Temporary member appointed on 4 September 1997 for a period of 24 months.

Executive Director

Executive Director	Gaétan Caron	299-2700
Admin. Assistant	Jan Dane	299-2701

Professional Leaders

Environment	Ken Sato	299-3675
Energy Resources	Graham Campbell	299-3102
Engineer	Vacant	
Economics	Glen Booth	299-3621

Legal Services

General Counsel and Director	Judith Hanebury	292-6497
Counsel	Peter Noonan	299-3552
Secretary	Susan Gudgeon	299-2704
Counsel	Margery Fowke	299-2708
Counsel	Claire McKinnon	299-2707
Counsel	Lori Ann Boychuk	292-2709
Secretary	Corina Smith	299-2704
Counsel	Christine Beauchemin	292-6489
Counsel	Gino Grondin	292-6495
Counsel	Peter Enderwick	292-4104
Secretary	Patricia Rouleau	292-6540

Information Management Business Unit

Business Unit Leader	Scott Richardson	299-2711
Secretary and Team Leader		
Regulatory Operations	Michel Mantha	299-2714
Technical Project Manager, Electronic		
Regulatory Filing	Neil Levette	299-3613

Communications

A/Team Leader	Ann Boiteau	299-2713
Communications Officer	Denis Tremblay	299-2717
Communications Officer	Ross Hicks	299-3930
Communications Officer	Ruth Grenville	299-2719
Reception		292-4800

Library

Team Leader	Shawn Aitken	299-3932
Library, Information		299-3561

Halifax Office - Secretariat for the Joint Public Review of the Sable Gas Projects

Project Manager	Bruce Young	(902) 496-5128
Public Affairs	Edward Sampson	(902) 496-5112
Administrative Assistant	Millie Mason	(902) 496-5454
Toll Free Number		1-800-587-0887

Applications Business Unit

Business Unit Leader	Brenda Kenny	299-3565
<i>TransCanada PipeLines Limited and Trans Québec & Maritimes Pipeline Inc.</i>		
Team Leader	Steve Brown	299-3653
<i>Westcoast Energy Inc. and Trans Mountain Pipe Line Company Ltd.</i>		
Team Leader	Hans Pols	299-3189
<i>Interprovincial Pipe Line Inc., Trans-Northern Pipelines Inc. and Express Pipeline Ltd.</i>		
Team Leader	Christine van Egmond	299-2783
<i>Alberta Natural Gas Company Ltd, Foothills Pipe Lines Ltd. and Alliance Pipeline Ltd.</i>		
Team Leader	Jim Fox	299-3628
<i>Cochin Pipe Lines Ltd., Part VI and Natural Gas Liquids</i>		
A/Team Leader	Gurdeep Gill	299-3659

Commodities Business Unit

Business Unit Leader	Terrance Rochefort	299-3646
<i>Commodity Convergence</i>		
Team Leader	Jawed Aziz	299-3630
<i>Gas</i>		
Team Leader	Bill Bingham	299-3198

Oil

Team Leader	Barry Lynch	299-3197
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Electricity

A/Team Leader	Ivan Harvie	299-3165
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Resource Assessment

A/Team Leader	Jim Davidson	299-3135
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Operations Business Unit

Business Unit Leader	John McCarthy	299-2766
<i>Health, Safety and Environment</i>		
Team Leader	Wayne Marshall	299-3901
<i>Frontier</i>		
Team Leader	Terry Baker	299-2792
<i>Regulatory Development</i>		
Team Leader	Bharat Dixit	299-3903
<i>Pipeline Accident Investigation</i>		
Team Leader	Paul Trudel	299-2768

Corporate Services Business Unit

Business Unit Leader	Sylvia Farrant	299-2703
Administration		
Coordinator	Sylvie Joanisse	292-4056
Human Resources		299-3695

Appendix III

Section 58 Applications

The Board has approved or is considering several applications under section 58 of the NEB Act involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. These matters may be considered by the Board without a public hearing.

Gas Pipelines

Applicants	File/Order Nos.	Application	Est. Cost
Huntington International Pipeline Corporation	File: 3400-H37-3 Order: XG-H37-33-97	Construct the Tsawwassen Interconnect facility from Delta BC to Point Roberts, Washington (28 metres).	3 739
Renaissance Energy Ltd.	File: 3400-R056-2 Order: XG-R56-44-97	Install 9.4-km oil pipeline and 9.4-km natural gas pipeline from the Northend and Border Oil Batteries in Saskatchewan to the Green Glades Oil Battery in Alberta.	1 270 000
TransCanada PipeLines Limited	File: 3400-T001-140 Order: XG-T1-34-97	Upgrades to meter stations at Dawn, Niagara and Ottawa, construction of a sales tap at Barclay and modification and additions to compressor stations 77, 119B, 99B and 62.	1 735 000
	File: 3200-T001-13-1 Order: XG-T1-38-97	Certificate GC-92 - change the downstream tie-over location at MLV 114 so that line 100-4 would tie into line 100-2. No change to the estimated costs provided in the company's 1997/1998 Facilities Application.	0
	File: 3400-T001-135 Order: Not Approved Yet	Construct a 1.72 kilometre pipeline crossing the Richelieu River between MLV 803 and MLV 804. On 30 June 1997, the Board sent a letter to TransCanada requesting additional information.	5 272 000
Westcoast Energy Inc.	File: 3400-W005-164 Order: XG-W5-35-97	Replace 2 100 metres of pipeline from the Fort Saint John Mainline Loop in the area of the tributary to Stewart Creek.	4 800 000
	File: 3400-W005-172 Order: XG-W5-36-97	Install a custody transfer meter station at the outlet of the Kobes Creek Booster Station.	85 000
	File: 3400-W005-174 Order: XG-W5-37-97	Install a portable compressor at Station 7.	1 629 000
	File: 3400-W005-175 Order: XG-W5-39-97	Replace a 600 foot section of the Chamberlain Pipeline and replace a 20-foot section of pipe at the Grizzly Pipeline sending barrel.	135 000
	File: 3400-W005-176 Order: XG-W5-40-97	Relocate acid gas analyzer in a newly constructed insulated building at the McMahon Gas Plant, located near Taylor, B.C.	55 000
	File: 3400-W005-178 Order: XG-W5-43-97	Replace two existing meter runs and purchase backup module for Aitken Creek Meter Station.	122 000
	File: 3400-W005-180 Order: XG-W5-45-97	Construct new building on site of Charlie Lake office.	4 900 000
	File: 3400-W005-173 Order: XG-W5-47-97	Install amine antifoam metering and control equipment at McMahon Gas Plant near Taylor, B.C.	52 000
Total Gas Pipelines			20 658 739

Oil Pipelines

Applicants	File/Order Nos.	Application	Est. Cost
Interprovincial Pipe Line Inc.	File: 3400-J001-88 Order: XO-J1-27-97	Replacement of three segmental wedge flow meters with three ultrasonic flow meters at the Herschel and Hardisty stations and replacement of an NPS 12 scraper trap kick out line at the Glenboro station with an NPS line and fittings.	437 000
	File: 3400-J001-84 Order: XO-J1-28-97	Program to raise the density and viscosity limits of heavy crude accepted for transportation on IPL's system(350 Centistoke Project).	9 000 000
	File: 3400-J001-90 Order: XO-J1-29-97	On-site land treatment of hydrocarbon contaminated soil at its Hardisty Pumping Station.	10 000
	File: 3400-J001-91 Order: XO-J1-30-97	Install new valve and change service of the Ellerslie custody transfer meters to receive Petro Canada Naphta at Edmonton Terminal.	97 900
Trans Mountain Pipe Line Company Ltd.	File: 3400-T004-51 Order: XO-T4-26-97	Restoration of right-of-way and access roads at 16 locations on the Coquihalla River and Coldwater River, BC.	4 200 000
	File: 3400-T004-47 Order:AO-1-XO-T4-36-96	Change the scope of project approved by Order Xo-T4-36-96 - Tank 102 upgrades.	642 000
Westspur Pipe Line Company Inc.	File: 3400-W002-20 Order: XO-W2-25-97	Repairs to its crude oil pipeline from Midale to Steelman, Saskatchewan and construct a new office building at the terminal at Steelman, Saskatchewan.	141 700
Total Oil Pipelines			14 528 600

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament. Over the course of its history, it has played an important role in the development of Canada's energy sector.

The Board's regulatory powers under the National Energy Board Act include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and designated interprovincial and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment, and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by the Ministry of Labour to administer Part II of the Canada Labour Code.

National Energy Board
311 Sixth Avenue S.W.
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par l'Office national de l'énergie

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Regulatory Agenda

The period covered in this Regulatory Agenda is 1 October to 31 December 1997

Applications Considered by Public Hearing

Public Hearings

Recent Hearing Decisions

1. *Novagas Canada Ltd. - Westcoast Energy Inc. - Gas Stripping Arrangements at Taylor, British Columbia - MH-2-97*

Reasons for Decision dated October 1997; issued on 15 October 1997

The Board decided that Westcoast must amend its tariff in order to recognize that its shippers are entitled to the natural gas liquids (NGL) contained in their gas. Under its present tariff, Westcoast has been permitted to send gas to the Solex Gas Liquids Ltd. plant for treatment where the NGL are stripped from the gas stream and replaced with thermally equivalent gas volumes.

The Board directed Westcoast to engage in consultations with its shippers, through the Tolls and Tariffs Task Force, to determine what specific amendments should be included in the Westcoast tariff. Those amendments will enable shippers to obtain rights to the NGL in their gas and to permit them, should a proposed Novagas plant be built, to direct Westcoast to divert their gas to that facility.

The ruling is the result of a public hearing requested by Novagas into the practices of Westcoast with respect to gas stripping arrangements at Taylor, British Columbia. Novagas asked the Board to prohibit Westcoast from diverting gas except in accordance with the nominations and directions of shippers.

The Board held a public hearing on this matter from 15 to 29 September 1997 (4 days) in Calgary.

2. *Sable Island Gas Projects - GH-6-96*

The Joint Public Review Panel Report dated October 1997; issued on 27 October 1997.

NOTICE

Starting in January, the Board will be providing monthly updates on the Internet of the most recent issue of the Regulatory Agenda. The Board will not be mailing out hard copies of the monthly updates. The Board will, however, continue to issue hard copies of the quarterly Regulatory Agenda for those persons that do not have access to the Internet.

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PREFACE

The purpose of this quarterly agenda is to provide information on the Board's activities.

Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the National Energy Board Act, R.S.C. 1985, c.N-7, as amended.

"Our purpose is to make decisions that are fair, objective and respected."



The National Energy Board Reasons for Decision dated December 1997; issued on 3 December 1997.

The Process

On 10 September 1996, a five person Panel was established, pursuant to the *Agreement for a Joint Public Review of the Proposed Sable Gas Projects*, to conduct the review of the Sable Gas Projects. This Agreement was developed to avoid jurisdictional overlap and duplication. The parties to the agreement were the federal ministers of Environment and Natural Resources, the Nova Scotia ministers of Environment and Natural Resources, the National Energy Board and the Canada-Nova Scotia Offshore Petroleum Board.

The environmental and socio-economic effects of these projects were considered by the Joint Public Review Panel consisting of the five members. Three members of the Panel considered certain aspects of these projects as members of the National Energy Board and one member of the Panel considered certain aspects as a Commissioner for the Canada-Nova Scotia Offshore Petroleum Board.

The Applications

The Joint Review Panel considered a proposal by Mobil Oil Canada Properties, Shell Canada Limited and others to develop six offshore gas fields in the area of Sable Island (SOEP). This proposal includes a pipeline to bring the gas to shore, a gas plant at Goldboro, Nova Scotia, a pipeline to ship natural gas liquids from the gas plant to Point Tupper, Nova Scotia and storage facilities for the natural gas liquids at Point Tupper.

The Joint Review Panel also considered a proposal by Maritimes & Northeast Pipeline Management Ltd. (M&NP) to construct a pipeline to transport the gas from the gas plant through Nova Scotia and New Brunswick to the United States border near St. Stephen, New Brunswick.

The Hearing

A public hearing was held from 7 April to 14 July 1997 (54 days) in Halifax and Fredericton. Informal hearings were also held in Moncton, New Brunswick on 4 April 1997 and in Antigonish, Nova Scotia on 5 April 1997.

The Joint Public Review Panel Report

The Joint Public Review Panel was of the view that, provided appropriate mitigation measures are applied, both the SOEP and the M&NP are not likely to cause significant environmental effects. The Panel concluded that the projects may proceed subject to a number of conditions.

The Panel Report also contained a decision of the National Energy Board to requests by Tatham Offshore Inc. and Trans Québec & Maritimes Pipeline Inc. (TQM) that the certification of the M&NP pipeline be delayed until such time as the

competing applications made by Tatham and TQM could be filed, heard and be ready for decision (see item 1 under *Hearing Applications*, *Hearing Application Adjourned* and item 2 under *Hearing Applications*, *Hearing Applications Filed*).

On 3 December 1997, the Government of Canada accepted the recommendations in the report.

The National Energy Board Reasons for Decision

The Board approved the applications from SOEP and M&NP to construct the offshore and onshore facilities that fall under its jurisdiction.

3. TransCanada PipeLines Limited - 1998 Facilities - GH-2-97

Reasons for Decision dated December 1997; issued on 8 December 1997.

The Board approved the construction of approximately 308.4 kilometres (191.2 miles) of pipeline looping and the installation of 11 new compressors, additional metering facilities at five stations and various other related facilities in Saskatchewan, Manitoba, Ontario and Quebec. The estimated cost of the proposed facilities is \$824.9 million with a planned in-service date of 1 November 1998.

The expansion will provide a total of approximately 10 million cubic metres (352 million cubic feet) per day of new Firm Transportation service from Empress, Alberta beginning 1 November 1998, of which 16.6 percent would be for domestic use, while the remainder will be for export. It will also provide a total of approximately 1.8 million cubic metres (65 million cubic feet) per day of new short haul Firm Transportation service from St. Clair, Ontario beginning 1 November 1998. TransCanada's 1998 facilities construction will also permit the company to convert 4 255 million cubic metres (150.2 billion cubic feet) of Firm Service Tendered annual contract quantity to approximately 11.7 million cubic metres (412 million cubic feet) per day of Firm Transportation service.

The Board held a public hearing on the application from 22 September to 1 October 1997 (six days) in Calgary.

4. Interprovincial Pipe Line Inc. - Reversal of Line 9 - OH-2-97

Reasons for Decision dated December 1997; issued on 18 December 1997.

The Board approved an application by Interprovincial for approval of facilities and a tolling methodology in order to reverse the direction of flow of Line 9.

Interprovincial's Line 9 is a 762-millimetre (30-inch), 832-kilometre (517-mile) pipeline located between Montreal, Quebec and Sarnia, Ontario. Interprovincial and a group of Ontario refiners (initially five, later four) developed the Line 9 reversal project in order that crude oil imported into

Canada through the facilities of Portland Pipe Line Corporation and Montreal Pipe Line Limited could be transported in Line 9 in an east-to-west direction from Montreal to major refining centres in Ontario. The capacity of the reversed Line 9 after the first year would be 38 160 cubic metres (240,000 barrels) per day. The estimated capital cost of the project is approximately \$89 million with a planned in-service date of 1 July 1998.

The Board, however, denied 100 percent priority access to the pipeline for the four refiners as provided in a Facilities Support Agreement. Instead, it requires Interprovincial to retain 20 percent of the capacity for open access by all potential shippers on a monthly basis.

The Board also denied a request by United Refining Company of Warren, Pennsylvania that the Board designate Chippawa, Ontario as a priority destination on Interprovincial's Line 10 during periods when Line 7 is in apportionment.

The Board considered the application at a public hearing held from 5 August to 10 September 1997 (21 days) in Calgary, Alberta and London, Ontario.

Hearing Decision Pending

1. *Trans Québec & Maritimes Pipeline Inc. (TQM) - Natural Gas Pipeline - PNGTS Extension (PNGTS = Portland Natural Gas Transmission System) - GH-1-97*

The Board held a public hearing from 17 November to 17 December 1997 (19 days) in Montreal and Magog, Quebec on an application by TQM for approval to construct a natural gas pipeline, to be known as the "PNGTS Extension", from Lachenaie, Quebec to the New Hampshire border near Pittsburg, U.S.A. The hearing was also used as a forum for public participation in the comprehensive study of the project to be conducted under the *Canadian Environmental Assessment Act*.

TQM applied for approval to construct a 213.2-kilometre (132.2-mile) pipeline from Lachenaie to the Canada/U.S. border near East Hereford, Quebec. TQM also requested approval to install, for the first year of operation, a 7.0 megawatt electric motor driven compressor unit at Lachenaie and two meter stations, one at Waterloo and one at East Hereford. In the second year of operation, TQM proposes to install an additional 3.2 megawatt electric motor driven compressor unit at East Hereford and one gas after-cooler unit at Lachenaie. The estimated cost of the project is \$270 million with a planned in-service date of 1 November 1998.

Beginning 1 November 1998, 4.3 million cubic metres (152.2 million cubic feet) per day of natural gas would be delivered at East Hereford to supply markets in the U.S. Northeast and 1.0 million cubic metres (33.7 million cubic feet) per day would be delivered at Waterloo to supply markets in the Eastern Townships of Quebec. In the second year of operation the deliveries would increase to 5.9 million cubic metres (210.0 million cubic feet) per day for East Hereford and to 1.4 million cubic metres (48.7 million cubic feet) per day for Waterloo.

Hearings in Progress

1. *Various Gas Exports - GHW-2-97*

The Board is conducting a written hearing on six applications for eight 10-year licences to export some 37.8 billion cubic metres (1.3 trillion cubic feet) of natural gas over the term of the licences. The applications are from Androscoggin Energy LLC, PanCanadian Petroleum Limited (two licences), ProGas Limited (three licences), Vermont Gas Systems, Inc. and Wascana Energy Inc.

2. *Alliance Pipeline Ltd. - Natural Gas Pipeline - GH-3-97*

The Board held a pre-hearing conference from 17 to 21 November 1997 (5 days) in Calgary to consider several motions filed with the Board concerning an application from Alliance for approval to construct the Canadian portion of a natural gas pipeline and associated facilities from north-eastern British Columbia and northwestern Alberta to the midwest United States. Alliance is also seeking related toll and tariff authorization. The Board rendered decisions on those motions on 24, 25 and 26 November 1997. The public hearing will commence on 6 January 1998 in Calgary (portions of the hearing will also be held in Fort St. John, Edmonton and Regina). The hearing will also be used as a forum for public participation in the comprehensive study of the project to be conducted under the *Canadian Environmental Assessment Act*.

The Canadian portion of the Alliance Pipeline Project would consist of (i) approximately 1 565 kilometres (970 miles) of mainline and related facilities from a point near Gordondale, Alberta to a point on the Canada/U.S. border near Elmore, Saskatchewan and (ii) approximately 770 kilometres (480 miles) of lateral pipelines and related facilities in British Columbia and Alberta. The U.S. portion of the mainline, to be constructed by Alliance Pipeline L.P., would extend approximately 1 430 kilometres (890 miles) to the system's terminus near Chicago, Illinois. The system would be capable of delivering 37.5 million cubic metres (1.325 billion cubic feet) of natural gas per day.

The estimated cost of the Canadian portion of the project is \$1.9 billion is proposed to be in service in late 1999.

Hearing Scheduled

1. Northstar Energy Corporation - Construct a Natural Gas Pipeline - GH-1-98

The Board will hold a public hearing commencing Tuesday, 30 March 1998, at a location to be announced at a later date, on an application by Northstar to construct and operate a natural gas pipeline project in southwestern Alberta and southeastern British Columbia.

Northstar applied for approval to construct approximately 7.2 kilometres (4.5 miles) of pipeline from its Coleman Gas Plant, located west of Coleman in Savanna, Alberta, through the Phillips Pass, to connect to the Alberta Natural Gas Company Ltd main transmission pipeline west of the Alberta/British Columbia border. The capital cost of the project is estimated to be \$6.467 million. The initial contracted capacity is anticipated to be 620 000 cubic metres (22 million cubic feet) of natural gas per day.

Board staff will be conducting public seminars in advance of the hearing to explain the hearing procedures, routing and land acquisition matters and to answer related questions. A public seminar has been scheduled at the Crowsnest Pass Sports Complex in Coleman, Alberta from 7 p.m. to 10 p.m., 12 March 1998.

2. Interprovincial Pipe Line Inc. - Terrace Phase I Program - OH-1-98

The Board will hold a public hearing commencing on Wednesday, 15 April 1998 in Calgary on an application dated 2 December 1997 from Interprovincial to construct 15 new sections of 914 millimetre (36 inch) diameter pipe to connect to existing 1219 millimetre (48 inch) diameter loop sections to create a fifth pipeline between Kerrobert, Saskatchewan and Gretna, Manitoba. This project comprises the first phase of the Terrace Expansion Project.

In total, new pipe requirements are approximately 619 kilometres (384 miles) of pipeline, 30 pumping unit additions, 14 tie-in facilities and related station facility equipment. Approximately 373 kilometres (231 miles) of pipeline would be constructed within existing Interprovincial easements and approximately 246 kilometres (152 miles) would be constructed on new easements to be acquired adjacent to Interprovincial's existing easements. The applied-for facilities would increase throughput capability of the existing Interprovincial system by approximately 26 600 cubic metres (160,000 barrels) per day. The pipeline would be used primarily to satisfy export markets. The estimated capital cost of the proposed expansion facilities is \$640 million with a planned in-service date of September 1999.

Hearings Postponed

1. Mr. Robert A. Milne, 3336101 Ontario Limited, c.o.b. as Milne Crushing & Screening - MH-1-97

(For more information on this matter, refer to item 1 under *Hearings Postponed* in issue No. 62 of the *Regulatory Agenda* dated 1 October 1997.)

2. TransCanada PipeLines Limited - Contract Renewal Rights and Expansion Policy Requirements - RH-3-97

(For more information on this matter, refer to item 2 under *Hearings Postponed* in issue No. 62 of the *Regulatory Agenda* dated 1 October 1997.)

Hearing Applications

Hearing Application Adjourned

1. Trans Québec & Maritimes Pipeline Inc. (TQM) and TransMaritime Gas Transmission Ltd. (TMGT) - Natural Gas Pipeline - TransMaritime Pipeline Project

(Refer also to item 2 under *Recent Hearing Decisions* and items 1 and 2 under *Appeals, Appeals Completed*.)

On 22 December 1997, the Board approved requests from TQM and TMGT to adjourn consideration of their applications to construct natural gas pipelines from Country Harbour, Nova Scotia to Saint Nicolas, Quebec which would have been used to transport natural gas produced from the proposed Sable Offshore Energy Project.

On 26 June 1997, TQM applied for approval to construct a 262-kilometre (192-mile) pipeline and associated facilities from Saint-Nicolas, Quebec to the New Brunswick border. TQM also proposed to construct 13.5 kilometres (8.4 miles) of looping from Saint Nicolas to Augustin-de-Desmaures, Quebec. The estimated cost of the TQM project was \$305.3 million with a planned in-service date of 1 November 1999.

On 28 August 1997, TMGT applied for approval to construct a 642-kilometre (396-mile) pipeline and associated facilities from Country Harbour, Nova Scotia through the provinces of Nova Scotia and New Brunswick to connect with the proposed TQM facilities at the New Brunswick/Quebec border. TMGT also proposed to construct 80 kilometres (49 miles) of pipeline from a point near Chipman, New Brunswick to a point near Evandale, New Brunswick. The estimated cost of the TMGT project was \$629 million with a planned in-service date of 1 November 1999.

Hearing Application Suspended

1. Crowsnest Pipeline Project (CNP) - Natural Gas Pipeline

On 20 August 1997, the Board, at the request of the applicants, suspended consideration of the CNP application until such time that CNP advises the Board that there has been a change in the status of the Project.

On 26 May 1997, CNP, on behalf of ATCO Gas Pipelines a division of ATCO Gas Services Ltd. and Shell Canada Limited, filed an application for approval to construct a natural gas pipeline and for an order with respect to tolls and tariffs.

CNP proposed to construct a 78.6-kilometre (49-mile) pipeline from Shell's Waterton Gas Plant in southwestern Alberta to Alberta Natural Gas Company Ltd's Compressor Station No. 1 located about four kilometres west of the British Columbia border. The pipeline would be

principally used to transport gas produced at Shell's Waterton Gas plant for delivery to the export market. The estimated cost of the project is \$35 million and the planned in-service date is mid-October 1998.

Hearing Applications Filed

1. AEC Suffield Gas Pipeline Inc. - Natural Gas Pipeline

On 15 September 1997, AEC Suffield filed an application to construct a natural gas pipeline from southeastern Alberta to southwestern Saskatchewan.

AEC Suffield plans to construct a 114-kilometre (71-mile) pipeline and associated control facilities from near the southwestern corner of the Suffield Military Block in Alberta, extending along the southern end of the military block and then northeast to join TransCanada PipeLines Limited's system near Burstall, Saskatchewan. The pipeline would have a design capacity of approximately 5.67 million cubic metres (200 million cubic feet) of natural gas per day. The estimated cost of the project is \$26.2 million with a planned in-service date of 1 November 1998.

On 14 October 1997, the Board initiated a scoping process for the project as a responsible authority under the Canadian Environmental Assessment Act.

2. North Atlantic Pipeline Inc. - Underwater Natural Gas Pipeline

(Refer also to item 2 under *Recent Hearing Decisions* and items 1 and 2 under *Appeals, Appeals Completed*.)

On 10 October 1997, North Atlantic applied to construct and operate an underwater natural gas pipeline on Canada's east coast.

North Atlantic is proposing to construct its pipeline in three phases. The first phase would commence at the proposed Sable Offshore Energy Project facilities in Country Harbour, Nova Scotia, and is designed to initially transport Sable Island gas to markets in Halifax, Nova Scotia and to facilities owned by North Atlantic (U.S.) for delivery to other North American markets from a point at Seabrook, Maine. The expected in-service date is 1 November 1999.

The second phase of the project would consist of the facilities required to transport natural gas produced from the Jeanne D'Arc Basin on the Grand Banks of Newfoundland, to Argentina, Newfoundland to serve the Newfoundland market.

The third phase of the project would involve construction of a pipeline from Argentina to Country Harbour, to allow Grand Banks gas and gas developed in the future in the Laurentian sub basin, to access markets in the Maritimes provinces, the United States and central Canada.

North Atlantic estimates the capital costs for the project at \$3.85 billion.

3. Souris Valley Pipeline Limited - Carbon Dioxide Pipeline

On 20 October 1997, Souris Valley filed an application to construct and operate a pipeline to transport carbon dioxide in southeastern Saskatchewan. Souris Valley amended the application on 31 December 1997.

The Company plans to construct a 61-kilometre (38-mile) pipeline extending from approximately 25 kilometres (16 miles) southwest of Estevan, Saskatchewan to a terminus approximately 3.2 kilometres (two miles) northeast of Goodwater, Saskatchewan.

Souris Valley has signed an agreement with PanCanadian Petroleum Limited to provide 2.6 million cubic metres (95 million cubic feet) of carbon dioxide per day to the Weyburn oil field near Goodwater for implementation of the Weyburn Miscible Flood Project, a separate downstream project expected to extend the life of the existing oil field by 25 years. The estimated cost of the project is \$12.67 million with a planned in-service date of December 1999.

On 24 November 1997, the Board initiated a scoping process for the project as a responsible authority under the Canadian Environmental Assessment Act.

Hearing Applications to be Filed

1. TransCanada PipeLines Limited - TransVoyageur Natural Gas Pipeline Project

On 11 August 1997, TransCanada filed a *Notice of Intention to File and Request for Initiation of the Scoping Process for an Environmental Assessment* in which it requested that the Board, along with the Canadian Environmental Assessment Agency, initiate an environmental scoping process for its pro-

posed TransVoyageur natural gas pipeline project. TransCanada applied on behalf of TransVoyageur Transmission Limited, which is wholly owned by TransCanada.

TransCanada advised the Board that TransVoyageur intends to file an application to construct a 1 000-kilometre (620-mile) pipeline from Empress, Alberta to a point near Emerson, Manitoba. The TransVoyageur system would parallel TransCanada's system from Empress to a point near either Brandon or Portage La Prairie, Manitoba. The Company is currently looking at two possible corridors for the pipeline, one of which is expected to trigger a Comprehensive Study under the *Canadian Environmental Assessment Act*.

The TransVoyageur system, as proposed, would have an initial capacity of 57 million cubic metres (2.0 billion cubic feet) per day. The planned in-service date is 1 November 1999.

On 23 September 1997, the Board initiated a scoping process for an environmental assessment under the *Canadian Environmental Assessment Act*.

2. St. Clair Pipelines (1996) Ltd. - Dawn to Lake Erie Natural Gas Pipeline

(Refer to item 3 below.)

On 26 September 1997, St. Clair filed a *Notice of Intention to File and Request for Initiation of the Scoping Process for an Environmental Assessment* in which it requested that the Board, along with the Canadian Environmental Assessment Agency, initiate an environmental scoping process for its proposed Dawn to Lake Erie, Ontario natural gas pipeline project.

St. Clair advised the Board that it intends to file an application to construct a new natural gas pipeline from the Union Gas Limited Dawn Compressor Station near Sarnia, Ontario to the shore of Lake Erie, near Port Stanley, Ontario. Referred to as the "Dawn to Lake Erie Pipeline", the pipeline will connect with the proposed Lake Erie Pipeline to be constructed and operated by TransCanada PipeLines Limited, which will in turn connect with the proposed Millennium Pipeline Project at the Canada/U.S. border in Lake Erie. Millennium represents a partnership of Columbia Gas Transmission, CMS Energy, MCN Energy, Westcoast Energy (U.S.) Inc. and TransCanada.

The Dawn to Lake Erie Pipeline will consist of approximately 85 kilometres (52.7 miles) of pipeline. The pipeline will have a capacity of 18.4 million cubic metres (650 million cubic feet) per day, with a potential future capacity of 36.8 million cubic metres (1 300 million cubic feet) per day with additional downstream compression. The estimated cost of the facilities is \$178 million with a planned in-service date of 1 November 1999.

On 29 October 1997, the Board initiated a scoping process for the project as a responsible authority under the *Canadian Environmental Assessment Act*.

3. TransCanada PipeLines Limited - Ontario Pipeline Projects

(Refer to item 2 above.)

On 29 September 1997, TransCanada filed a *Notice of Intention to File and Request for Initiation of the Scoping Process for an Environmental Assessment* in which it requested that the Board, along with the Canadian Environmental Assessment Agency, initiate an environmental scoping process for its proposed Ontario natural gas pipeline projects.

TransCanada advised the Board that it intends to file an application to construct (1) a 24-kilometre (14.8-mile) pipeline from the Canada/United States border near Courtright, Ontario along its Dawn extension to the Dawn sales meter station near Sarnia, Ontario (2) a 135-kilometre (83.7-mile) pipeline across Lake Erie from the Canadian shoreline near Port Stanley, Ontario to the U.S. shore near North East, Pennsylvania. The Dawn extension line and the Lake Erie crossing will be connected by a 85-kilometre pipeline to be built by St. Clair Pipeline, a wholly owned subsidiary of Union Energy Ltd which is itself wholly owned by Westcoast Energy Inc. The estimated cost of the projects is \$171.7 million.

On 29 October 1997, the Board initiated a scoping process for the project as a responsible authority under the *Canadian Environmental Assessment Act*.

4. Maritimes & Northeast Pipeline Management Ltd. on behalf of Maritimes & Northeast Pipeline L.P. (M&NP) - Halifax and Saint John Laterals

On 12 November 1997, M&NP filed Preliminary Submissions to request that the Board, as a Responsible Authority under the *Canadian Environmental Assessment Act*, initiate the scoping activities for the Halifax, Nova Scotia and Saint John, New Brunswick laterals. M&NP advised the Board that it intends to file applications for the laterals at a later date.

The Halifax Lateral Pipeline Project comprises approximately 120 kilometres (74 miles) of pipeline from a tie-in to the M&NP mainline near Stellarton, Nova Scotia to Halifax. The Saint John Lateral Pipeline Project comprises approximately 110 kilometres (68 miles) of pipeline from a tie-in to the M&NP mainline near Big Kedron Lake, New Brunswick to the City of Saint John and to an existing paper mill at Lake Utopia, New Brunswick.

Other Applications

The Board had, or has, before it a number of applications and other matters that do not require public hearings. Since the 1 October 1997 issue of the *Regulatory Agenda*, the matters below have been or are being considered by the Board.

Natural Gas Matters

Matters Completed

1. **TransCanada Gas Services and Southern California Edison Company - Revoke Natural Gas Export Licence GL-213**

On 23 October 1997, the Board approved a joint application dated 8 October 1997 from TransCanada Gas and SoCal to revoke natural gas export Licence GL-213. SoCal is in the process of selling all its gas-fired electric generation facilities and will no longer require the contracted gas supply with TransCanada Gas.

2. **AEC Oil and Gas Company and Southern California Edison Company - Revoke Natural Gas Export Licence GL-210**

On 6 November 1997, the Board approved a joint application dated 16 September 1997 from AEC and SoCal to revoke natural gas export License GL-210. SoCal is in the process of selling all its gas-fired electric generation facilities and will no longer require the contracted gas supply with AEC.

3. **Imperial Oil Resources Limited (IORL) and Imperial Oil Resources (IOR) - Contract Amendment - Natural Gas Export Licence GL-151**

On 2 December 1997, the Board approved a joint application dated 31 October 1997 from IORL and IOR to amend the commodity charge component of the pricing provisions of the natural gas sales agreement underpinning natural gas exports under Licence GL-151. Under the Licence, natural gas is exported to the Boston Gas Company.

Matter Under Consideration

4. **Engage Energy Canada, L.P. - Transfer of Several Gas Export Licences**

On 7 May 1997, Engage applied for approval to transfer Licences GL-187, GL-221, GL-222, GL-223, GL-224, GL-225, GL-226 and GL-227 from Westcoast Gas Services Inc. to Engage Energy Canada, L.P.

Consideration of the application is pending upon receipt of further information to be filed by the applicant.

Electricity Matters

Matters Completed

1. **MontWegan International Energia Resorce Inc. - Amendment to Electricity Export Permits EPE-108 and EPE-109**

On 10 October 1997, the Board approved an application dated 30 August 1997 from MontWegan to amend Export Permits EPE-108 and EPE-109 to allow for export from anywhere in Canada over all international power lines. The original application was for exports from New Brunswick, Québec and Ontario.

2. **Aquila Canada Corporation - Electricity Export Permit**

On 3 December 1997, the Board approved an application dated 1 August 1997 from Aquila Canada for permits to export up to 5 000 gigawatt hours each of interruptible energy and short-term firm energy in any consecutive twelve-month period. The permits limit the term of any single export contract to five years in duration.

Matter Under Consideration

3. **Ontario Hydro - Amend Export Permit EPE-21**

On 25 July 1995, Ontario Hydro applied for approval to amend Export Permit EPE-21 by deleting certain conditions from the permit in order to allow it to respond in a more timely way to potential business opportunities with any customer whether directly linked to its power system or not.

Permit EPE-21 authorizes Ontario Hydro to export interruptible energy of up to 20 000 gigawatt hours per consecutive twelve-month periods less actual exports under Permit EPE-23 for the period 1 July 1991 to 30 June 2006.

On 25 August 1995 and 3 November 1997, the Board sent letters to Ontario Hydro regarding the application.

Pipeline Matters

Matters Completed

1. **Safety Audit Report**

The Board has adopted Reports on Safety Management Audit to Verify Compliance with Respect to the *Onshore Pipeline Regulations* for the following companies:

Cochin Pipe Lines Ltd.	10 October 1997
Rigel Oil and Gas Ltd.	18 December 1997
Talisman Energy Inc.	18 December 1997
Tidal Resources Inc.	18 December 1997

2. Canadian Natural Resources Limited (CNR) - Construct a Natural Gas Pipeline

On 14 October 1997, the Board approved an application dated 11 June 1997 from CNR to construct a 2.5-kilometre (1.5-mile) pipeline from a gas well installation at LSD 10-12-55-1 W4M in Alberta to connect to an existing CNR gas gathering pipeline system at LSD 6-17-55-27-W3M in Saskatchewan. The estimated cost of the project is \$215 200.

3. Interprovincial Pipeline Inc. - Leave to Abandon Diesel Fuel Tanks

On 29 October 1997, the Board approved an application dated 4 July 1997 from Interprovincial for leave to abandon its above ground diesel fuel storage tanks located at Loreburn and Glenavon, Saskatchewan and Glenboro, Manitoba.

4. Westcoast Energy Inc. - Sale of a Pipeline

On 20 November 1997, the Board approved an application dated 2 October 1997 from Westcoast to sell the 6.5-kilometre (4-mile) Fort St. John Trunk Line to Federated Pipe Lines (Western) Ltd. The pipeline had been used to transport raw gas to the McMahon Plant until mid-1996 when it was deactivated. Federated intends to use the pipeline as a liquid (low vapour pressure) gathering line that will serve the proposed central pumping station that will be located at Taylor, British Columbia and operated by Federated Pipe Lines (Northern) Ltd. as part of its Taylor to Bellow pipeline.

5. Westcoast Energy Inc. - Sale of South Beg Pipeline

On 23 December 1997, the Board approved an application dated 24 October 1997 from Westcoast for approval to sell the South Beg Pipeline to Blue Range Resource Corporation. The pipeline is 3.71 kilometres (2.3 miles) in length. The pipeline was used to transport raw gas to the McMahon Plant and, once sold, will continue to operate as a raw gas transmission line.

6. Section 58 Applications

The Board has approved or is considering several applications under section 58 of the NEB Act involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. These matters may be considered by the Board without a public hearing. During the period covered by this Regulatory Agenda, the Board approved 14 section 58 applications for a total of \$216 730 180. See Appendix III for a description of the applications approved or under consideration.

Matters Under Consideration

7. AEC West, a business unit of AEC Oil and Gas Partnership as Agent for Alberta Energy Company Ltd. - Pipeline Construction

On 24 December 1996, AEC West applied for approval to construct and operate sour and fuel gas pipelines, known as the "Tupper-Hythe Pipelines", from British Columbia to AEC West's Hythe sour gas plant located at 11-18-74-12 W6M in Alberta. The Tupper-Hythe Pipeline would extend 16.7 kilometres (10.4 miles) and consist of a sour gas line and a fuel gas line to be laid in the same ditch. The estimated cost of the project is \$3 457 000.

On 13 February 1997, AEC West requested that the application be held in abeyance until further notice. AEC West has been unable to reach an agreement with a third party shipper on the proposed project.

8. CML Resources Ltd. and Renaissance Energy Ltd. - Sale and Purchase of an Inter-Provincial Polyethylene Fuel Gas Pipeline

On 21 November 1996, CML applied for approval to sell and Renaissance applied for approval to purchase an inter-provincial polyethylene fuel gas pipeline. The pipeline, originally owned by Koch Exploration extends for 200 metres (656 feet) crossing the Alberta/Saskatchewan border.

On 9 January 1997, the Board sent a letter to Renaissance requesting additional information.

9. Chauvco Resources Ltd. - Chinchaga Pipeline

On 16 October 1997, Chauvco applied for approval to: 1) change the substance within an existing pipeline from wet natural gas to dry natural gas; 2) construct natural gas pipeline; and 3) construct a natural gas liquids pipeline. The proposed pipelines will follow the same 17.2 kilometre right-of-way of the existing pipeline which extends from c-32-H/94-H-8 in British Columbia to LSD 11-29-96-11 W6M, the existing Shell Canada Limited Hamburg Gas Plant in Alberta.

On 3 November 1997, the Board initiated an environmental assessment for the proposed project. On 28 November 1997, the Board sent a letter to Chauvco requesting additional information concerning the ownership and operation of the West Hamburg gathering system and pipeline.

On 19 December 1997, Chauvco applied for the approval of the sale and purchase of the West Hamburg facilities.

Traffic, Tolls and Tariff Matters

Matters Completed

1. *1998 Rate of Return of Common Equity for Group 1 Pipelines*

On 4 December 1997, the Board approved a 1998 rate of return on common equity of 10.21 percent for Group 1 pipeline companies to whom RH-2-94 applies.

The new rate is the third one set as per an adjustment mechanism approved in the Board's multi-pipeline cost of capital (RH-2-94) decision of April 1995. The 1997 rate of return on common equity was set at 10.67 per cent.

2. *TransCanada PipeLines Limited - Service from Third Party Providers*

On 23 December 1997, the Board denied an application dated 25 July from TransCanada to acquire service from third party providers.

TransCanada had applied for approval for a general authorization to contract for certain third party services on a short-term basis in order to enhance discretionary service and revenue on the TransCanada system without requiring prior deal-specific approval from the Board on a case by case basis. The Company also sought approval to net such party costs against the discretionary revenues generated and to share the net revenues on a 1/3:2/3 basis between TransCanada and firm shippers respectively.

In Article 5.1 of the Incentive Cost Recovery and Revenue Sharing Settlement it is required that TransCanada obtain Tolls Task Force or the Board's approval before contracting for any transportation service or capacity set out in Schedule 5.1 of the Settlement. TransCanada noted that due to market volatility and short bidding periods, there is insufficient time for TransCanada to obtain normal approval from the Tolls Task Force and the Board for acquisition of such third party services. Consequently, opportunities to enhance discretionary services and revenues will have been foregone if it were necessary to obtain approvals for each specific deal in advance. It is intended that all of these services would enhance discretionary service and revenue on the TransCanada system without having to obtain prior approval of the Board on a case by case.

The Settlement presently specifies that TransCanada retain 1/3 of gross revenue generated from discretionary services such as Short-Term Firm Transportation and Interruptible Transportation. Shippers currently retain 2/3 of gross discretionary revenues, but also incur 100 per cent of costs, including third party costs. In order to increase risk and reward symmetry between TransCanada and its shippers, it is being proposed that the Company and its firm shippers share both the costs and revenue from third party arrange-

ments on a 1/3:2/3 basis. This approach is meant to fully align the interests of TransCanada and its firm shippers.

The Board conducted a written proceeding to deal with this application.

3. *TransCanada PipeLines Limited - Interim Reports of the 1998 Tolls Task Force*

TransCanada has applied for approval of several resolutions as contained in the Interim Reports of the 1998 Tolls Task Force.

The Board approved the following:

Resolution Nos.	Date approved
98-01 to 98-03	14 January 1997
98-04 to 98-06	20 February 1997
98-08 to 98-11	27 March 1997
98-07 and 98-12	15 April 1997
98-13 and 98-14	8 May 1997
98-15 to 98-19	29 May 1997
98-20	20 June 1997
98-21	21 August
98-22 and 98-23	22 August
98-24	24 September
98-25 to 98-27	28 November

Matters Under Consideration

4. *Foothills Pipe Lines (Alta.) Ltd., Foothills Pipe Lines (South B.C.) and Foothills Pipe Lines (Sask.) Ltd. - 1997 Operating and Maintenance Expense Budgets*

On 5 December 1997, Foothills Pipe Lines Ltd. applied, on behalf of the above noted subsidiaries, for approval of Operating and Maintenance Expense Budgets for the 12-month period ending on 31 December 1998.

On 22 December 1997, the Board advised Foothills that before making a final decision on the applied-for budgets, it wished to consider Foothills' actual 1997 costs and the analysis of the 1998 operating and maintenance expense variances due to be filed with the Board on 28 February 1998. Therefore, the Board decided to issue an interim order approving interim budgets for the year ending 31 December 1998 equal to 50 percent of the budgets submitted.

5. *Government of the Northwest Territories (GNWT) - Complaint and Notice of Motion - Tolls and Tariffs of Interprovincial Pipe Line (NW) Ltd. IPL(NW) - Norman Wells Pipeline*

On 31 October and 7 November 1995, the GNWT filed a Complaint and a Notice of Motion, respectively, regarding the tolls and tariff on the Norman Wells Pipeline. The Complaint identifies specific areas where the GNWT believes the current method of calculating the tolls and tariff for IPL(NW) is incompatible with the manner in which the tolls

and tariffs of other pipelines regulated by the Board are determined. The Notice of Motion seeks an order from the Board determining, as a preliminary matter, that the tolls of IPL(NW) be derived based on the same principles as those applied to other Group 1 companies.

The Board made IPL(NW)'s tolls interim effective 1 January 1998 and established a written proceeding to consider the matter. On 23 February 1996, the Board granted IPL(NW)'s request for a delay of the proceeding to allow additional time for IPL(NW) and Imperial Oil to conclude negotiations concerning potential changes to the Norman Wells Pipeline Agreement.

On 16 October 1997, the GNWT requested to the Board to become involved again in order to finalize IPL(NW)'s tolls. Accordingly, the Board set 2 January 1998 as the deadline for IPL(NW) to file an application for final tolls. On 22 December 1997, IPL(NW) filed an application for final tolls based upon a negotiated settlement with interested parties. The Board is now considering this application.

6. *PanCanadian Petroleum Limited - Request for Condensate Transportation*

(For further information on this matter, refer to item 4 under *Traffic, Tolls and Tariff Matters, Matters Under Consideration* of issue No. 62 of the *Regulatory Agenda* dated 1 October 1997.)

Frontier Matters

1. *Frontier activities for the fourth quarter of 1997*

- (a) On 22 December 1997, the Board approved, subject to the consent of the Governor in Council, an application, pursuant to section 5 of the *Canada Oil and Gas Operations Act*, from Inuvialuit Petroleum Corporation for approval of a Development Plan to develop the Ikhil gas reservoir and the construction of a pipeline from the Ikhil field to the Town of Inuvik.
- (b) Approval was given to Ocelot Energy Inc. for an "Authority to Drill a Well" pursuant to section 83 of the *Canada Oil and Gas Drilling Regulations* (COGDR) for the OEI et al Liard N-60 well on 9 October 1997.
- (c) Approval was given to Paramount Resources Ltd. for the following:
 - (i) "Authority to Drill a Well", pursuant to section 83 of the COGDR was given for the Paramount et al Arrowhead N-65 well on 23 December 1997;
 - (ii) "Authority to Drill a Well", pursuant to section 83 of the COGDR was given for the Paramount et al Arrowhead O-15 well on 23 December 1997;

- (iii) "Authority to Drill a Well", pursuant to section 83 of the COGDR was given for the Paramount et al Bovie Lake K-74 well on 23 December 1997;
 - (iv) "Authority to Drill a Well", pursuant to section 83 of the COGDR was given for the Paramount et al Netla M-23 well on 23 December 1997;
 - (v) an application to "Alter a Condition of a Well" pursuant to paragraph 80(1)(b) of the COGDR for the well Paramount et al Bovie C-76 on 23 December 1997.
- (d) Approval was given to Ranger Oil Ltd. for the following:
- (i) "Authority to Drill a Well", pursuant to section 83 of the COGDR was given for the Ranger Nota Creek C-17 well on 16 October 1997;
 - (ii) "Authority to Drill a Well", pursuant to section 83 of the COGDR was given for the Ranger Bear Rock O-20 well on 14 November 1997;
 - (iii) to change the intermediate casing/cementing program for the Ranger Fort Liard P-66A well pursuant to section 63 of the COGDR on 20 October 1997;
 - (iv) a waiver of a formation leak-off test pursuant to subsection 122(1) of the COGDR was given for the Ranger Fort Liard P-66A well on 4 November 1997;
 - (v) a temporary suspension of drilling operations for the Ranger Fort Liard P-66A well pursuant to subsection 5(1)(b) of the COGDR on 3 December 1997.
- (e) Three new applications for geological or geophysical operation authorization were received. One application was withdrawn and one new application and one amendment to a previous application was approved pursuant to section 5 of the *Canada Oil and Gas Operations Act* as follows:

Company	Area	Approval Date
Inuvialuit Petroleum Corp.	Cariboo Hills, NWT	26 November 1997
Unocal Exploration	Data Purchase/ Reprocessing	24 December 1997

The remaining application is being reviewed.

Appeals and Review

Appeals

Appeals Completed

1. *Gaz Metropolitain and Company, Limited Partnership and Consumers Gas Energy Inc. - Sable Island Gas Projects*

(Refer to item 2 under *Recent Hearing Decisions* and item 1 under, *Hearing Applications, Hearing Applications Adjourned*.)

On 25 November 1997, the Applicants filed with the Federal Court of Appeal a *Notice of Application for Leave to Appeal* the decision of the Board dated 27 October 1997 in which it denied a request to consider the applications of the proponents of the TransMaritime Pipeline Project concurrently and equally with the application of the proponents of the Maritimes & Northeast Pipeline Project.

On the same date, the Applicants filed with the Federal Court of Canada Trial Division an *Originating Notice of Motion* seeking an Order setting aside the report of the Joint Public Review Panel dated 27 October 1997, insofar as it purports to constitute a Review of the Environmental Effects likely to result from Maritimes & Northeast Pipeline Management Ltd. (M&NP) and specifically (a) that it denied a request to consider the applications of the proponents of the TransMaritime Pipeline Project concurrently and equally with the application of the Proponents of the Maritimes & Northeast Pipeline Project, and (b) stay making any determination or recommendation on the application of M&NP.

Subsequently, these parties applied for Leave to Appeal the Decision of the NEB (GH-6-96) rendered on 3 December 1997. The Federal Court of Appeal dismissed the applications for leave to appeal. The Applicants subsequently withdrew or discontinued the other proceedings.

2. *Tatham Offshore Inc. - Sable Island Gas Projects*

(Refer to item 2 under *Recent Hearing Decisions*.)

On 25 November 1997, Tatham filed with the Federal Court of Appeal a *Notice of Application for Leave to Appeal* the decision of the Board dated 27 October 1997 in which it denied a request to consider the applications of Tatham concurrently and equally with the application of the proponents of the Maritimes & Northeast Pipeline Project.

On the same date, Tatham filed with the Federal Court of Canada Trial Division an *Originating Notice of Motion* seeking an Order setting aside the report of the Joint Public Review Panel dated 27 October 1997, insofar as it purports to constitute a Review of the Environmental Effects likely to result from Maritimes & Northeast Pipeline Management Ltd. (M&NP) and specifically (a) that it denied a request to con-

sider the applications of Tatham concurrently and equally with the application of the Proponents of the Maritimes & Northeast Pipeline Project, and (b) stay making any determination or recommendation on the application of M&NP.

Subsequently, Tatham applied for Leave to Appeal the Decision of the NEB (GH-6-96) rendered on 3 December 1997. The Federal Court of Appeal dismissed the application for leave to appeal. The application for judicial review to the Trial division remains outstanding.

3. *Foothills Pipe Lines Ltd - Alliance Pipeline Project*

(Refer to item 2 under *Hearings in Progress*.)

On 5 December 1997, Foothills filed two applications with the Federal Court of Appeal. The first application sought leave to appeal the ruling of the Board dealing with the definition of "company", which ruling was rendered during the pre-hearing conference portion of the Alliance Pipeline Project hearing held in November 1997. The second application sought an Order of the Court prohibiting the Board from proceeding with the Alliance Pipeline Project hearing.

These applications were subsequently discontinued by the Applicant.

Appeals Pending

4. *BC Gas Utility Ltd. - Westcoast Energy Inc. - Grizzly Valley Application - GH-6-94*

On 3 April 1996, BC Gas applied to the Supreme Court of Canada for leave to appeal the Federal Court of Appeal's decision of 9 February 1996 in which it decided that the Fort St. John Expansion Project and the Grizzly Valley Expansion Project in northeastern British Columbia were under the Board's jurisdiction.

Leave to appeal was granted by the Supreme Court of Canada on 30 October 1996. A Constitutional Question has been formulated. The Court heard the appeal 12 November 1997. The Court reserved its decision.

5. *Canadian Hunter Exploration Ltd. - Tidal Resources Inc.*

On 22 August 1996, Canadian Hunter filed with the Federal Court of Appeal an application for leave to appeal the Board's decision of 25 July 1996 in which it decided, as a result of the approval of Tidal Resources' application to construct a pipeline, that it had jurisdiction over certain upstream gathering facilities located within the province of British Columbia which are owned and operated by Canadian Hunter.

On 7 November 1996, the Court granted the leave to appeal application. On 14 October 1997, Canadian Hunter served the Board with its Memorandum of Points of Argument.

6. Hydro-Québec - Access to Export Contract

On 23 September 1996, Hydro-Québec filed a *Notice of Motion* with the Federal Court, Trial Division to review the Board's decision of 4 September 1996, pursuant to section 44(1) of the *Access to Information Act*, in which the Board decided that a copy of a firm diversity contract between Hydro-Québec and Consolidated Edison would be made available to Mouvement Au Courant as requested.

Pursuant to a preliminary motion, the Court held that it was appropriately seized of the matter via the *Access to Information Act*.

7. Richard Leroux and 417 Auto Wreckers Limited - TransCanada PipeLines Limited

On 6 May 1996, the Federal Court of Appeal quashed an application by Richard Leroux and 417 Auto Wreckers in which it sought an order for judicial review the Board's decision of 22 December 1995. However, the Federal Court of Appeal granted the application for leave to appeal the same decision. In its decision, the Board found the aggregate application of Richard Leroux did not fall within section 81 of the NEB Act as it did not meet the requirement of "mines or minerals".

The appeal was to be heard in Toronto on 24 November 1997. TransCanada filed a motion seeking an extension of time to file its Memorandum of Fact and Law and for a postponement of the hearing dated. The Court rescheduled the hearing to 14 January 1998 in Ottawa. At the request of the Applicant, the appeal may be rescheduled to a later date.

8. The Industrial Cape Breton Community Alliance Group on the Sable Gas Project

(Refer to item 2 under *Recent Hearing Decisions*.)

On 25 November 1997, the Applicant filed an *Originating Notice of Motion* with the Federal Court of Canada, Trial Division for the purpose of having the Joint Public Review Panel Report dated 27 October 1997 and the Report of the Commissioner for the Canada-Nova Scotia Offshore Petroleum Board dated 27 October 1997, reviewed, set aside and referred back to the Joint Panel and the Commissioner and that they direct Sable Offshore Energy Project to file a socio-economic impact study incorporating an economic cost-benefit analysis and the environmental effects of the project on Cape Breton.

On the same date, the Applicant filed a similar *Originating Notice of Motion* with the Federal Court of Appeal. This matter remains outstanding.

Review

Review Completed

1. TransCanada Pipelines Limited - 1997 Construction No. 7

On 18 December 1997, the Board approved a proposal by TransCanada which would establish a definitive cut-off point between expensing and capitalizing pipeline recoating costs.

On 28 April 1997, TransCanada applied for approval for its 1997 Construction No. 7. The proposed projects in the application were set out in three schedules and related primarily to pipeline recoating. The total cost of the proposed projects was estimated to be \$22.4 million. Included as part of the application, TransCanada requested that, due to the magnitude of the projects involved, that it be permitted to capitalize the total costs of the projects, even though the Company noted that it routinely expenses these costs.

On 27 June 1997, the Board directed TransCanada to capitalize the costs contained within Schedule 1 (recoating of long section of pipe) and expense the costs in Schedules 2 and 3 (investigative digs and recoating short sections of pipe) of the application.

On 6 August 1997, TransCanada filed an application for review and clarification of the Board's decision because it was unclear as to the criteria used in determining whether a particular recoating project should be expensed or capitalized. TransCanada stated that it is important to fully understand the criteria that the Board intends to use in these cases. In this regard, TransCanada asked the Board to consider a proposal which would establish a definitive cut-off point between expensing and capitalizing pipeline recoating costs. TransCanada proposed that "Recoating costs should be capitalized if the only alternative to recoating is capital pipe replacement i.e. 12 metres or greater, or added cathodic protection facilities. Where the alternative is to replace less than 12 metres of pipeline or maintenance and repair, recoating costs would be expensed."

The Board sought the views of interested parties on this matter.

Amendments to Guidelines and Regulations

Amendments to the Board's guidelines and regulations completed or in various stages of preparation, include the following:

1. *Guidelines for Filing Requirements*

On 23 October 1997, the Board sought public comments on a proposal from the Canadian Energy Pipeline Association (CEPA) for an Enhanced Landowner Participation Process.

The Board is willing to consider the incorporation of mediation by amending its *Guidelines for Filing Requirements* as is being suggested by CEPA. The mediation would be one tool of the Early Public Notification Process (EPN). The EPN process requires an applicant seeking approval to construct a pipeline to describe the project being applied for and its potential environmental and socio-economic effects to the public and to allow an opportunity for public comment.

The CEPA proposal would establish a list of eligible mediators which could work directly with landowners and applicants for the purpose of resolving disputes before the beginning of a public hearing. The list would be available from the Board.

Interested persons were requested to notify the Board of their views concerning both the utility of mediation in the context of the Board processes as well as to comment on the draft amendment.

On 11 December 1997, the Board decided to amend the level of gas supply information required to be filed by an applicant for a certificate pursuant to section 52 of the *NEB Act* in respect of a gas pipeline, as defined in Part III of the Board's *Guidelines for Filing Requirements*.

This amendment is required to ensure that the project specific supply information required under Part III of the *Guidelines for Filing Requirements* is in line with current Board practice as it has evolved to reflect the changing nature of the industry.

2. *Memorandum of Guidance - Fair Market Access Procedure for the Licensing of Long-term Exports of Crude Oil and Equivalent*

On 17 December 1997, the Board issued a new procedure for the licensing of long-term exports of crude oil and equivalent (crude oil). The Board will licence long term exports of crude oil using a Fair Market Access procedure. Any party wishing to export crude oil from Canada on a long-term basis must demonstrate that it has provided fair market access to potentially-interested Canadian refiners and marketers. The Board is also proceeding with recommending that the Governor-In-Council approve amendments to the *National Energy Board Act Part VI (Oil and Gas) Regulations* (Regulations) because some provisions in the existing

Regulations are inconsistent with the new market-based approach to regulating the long-term exportation of crude oil.

The new procedure has been established as a result of a request in February 1996 from the Minister of Natural Resources Canada in which she asked that the Board develop for her consideration a market-based procedure for the review of crude oil export licence applications. The Minister requested that the procedure be modelled along the lines of the Complaints Procedure which is used as part of the Market-Based Procedure in assessing applications for long-term natural gas exports, or the Fair Market Access (FMA) procedure used to assess electricity permit applications.

After having considered the natural gas and electricity models, the Board determined that, having regard to the characteristics of crude oil supply and markets and to the economic interests of Canadian crude oil producers and consumers, the FMA model is well suited to the licensing of crude oil exports.

This procedure places two obligations on an export licence applicant: (1) the applicant must inform potential Canadian buyers of the volumes and type(s) of crude oil associated with the proposed export; and (2) if any Canadian buyer expresses an interest in purchasing all or part of the available volumes, the applicant must enter into good faith negotiations with that potential buyer and negotiate on the same basis as it has negotiated, or which it is in the process of negotiating, with its export customer(s).

3. *National Energy Board Act Part VI (Oil and Gas) Regulations*

(Refer to item 2 above.)

The Board is proceeding with recommending that the Governor-In-Council approve amendments to the Regulations because some provisions in the existing Regulations are inconsistent with the new market-based approach to regulating the long-term exportation of crude oil.

4. *Onshore Pipeline Regulations*

On 8 April 1997, the Board forwarded a new draft consolidation of the *Onshore Pipeline Regulations* to the Department of Justice for legal review.

The Regulations specify the requirements for the protection of property and the environment and safety of the public and company employees in the design, construction, operation, maintenance and abandonment of an onshore pipeline.

The Regulations are further being amended to reflect the incorporation of CSA Z662-96. In the interim, the Board issued an Order to all the pipeline companies under its juris-

diction, exempting them from the requirement to comply with CSA Standard Z662-94 upon the condition that they comply with the CSA Standard Z662-96.

A set of companion guidelines to these Regulations is being prepared for completion by 31 March 1998.

5. Offshore Pipeline Regulations

The Offshore Pipeline Regulations will specify the requirements for the protection of property and the environment and the safety of the public and the company's employees in the design, construction, operation and abandonment of an offshore pipeline.

The Regulations are at the drafting stage with a first draft estimated by 31 March 1998.

6. National Energy Board Cost Recovery Regulations

Amendments to the Cost Recovery Regulations have been drafted and are being put forward for Treasury Board approval. Among other things, these amendments will eliminate the need to amend the Schedules to include new companies as new generic definitions will encompass all companies subject to cost recovery. Other changes will result in greater efficiencies to the cost recovery processes.

7. Hydrocarbon Processing Plant Regulations

Draft Hydrocarbon Processing Plant Regulations are estimated to be completed in 1998.

8. Regulations and Guidelines Pertaining to Canada Oil and Gas Operations Act

The process of creating and amending regulations pertaining to oil and gas activities, under the provisions of the Canada Oil and Gas Operations Act, proclaimed in force in September 1992, is continuing. At present, the regulatory agenda is as follows:

Regulations and Guidelines being drafted

Canada Oil and Gas Occupational Safety and Health Regulations - Amendments

Canada Oil and Gas Drilling Regulations - Re-structuring

Canada Oil and Gas Production and Conservation Regulations - Amendment

Canada Oil and Gas Diving Regulations - Amendment

Newfoundland Offshore Area Petroleum Occupational Safety and Health Regulations

Nova Scotia Offshore Area Petroleum Occupational Safety and Health Regulations

Physical Environmental Guidelines for Drilling Programs on Frontier Lands

Other Matters

Processing of Part VI Applications for Gas Export Licences

On 5 December 1997, the Board sent a letter to interested parties regarding a proposal to make changes to the Board's method of processing applications for gas export licences. In recent years the Board has considered such applications in semi-annual hearings following a call for applications. The Board is proposing that the call letter approach be discontinued and that each application be processed following the receipt by the Board of a completed application. The Board is also proposing changes with respect to public notification.

Parties wishing to comment on these proposed changes were requested to file comments by 16 January 1998.

British Columbia and NEB Common Reserves Database

On 23 December 1997, the B.C. Ministry of Employment and Investment (MEI) and the Board signed a Reserves Database Agreement, representing a major step toward improving co-operation and collaboration between the two agencies.

In addition to using a common natural gas and crude oil reserves database, both agencies have agreed to use efficient methods for estimating reserves and to use this initiative to

set the tone for other co-operative efforts. The scope for this agreement is based on five main criteria:

- i) the initiative will be confined to estimates of reserves, related reservoir parameters, and geological analysis for natural gas and crude oil pools;
- ii) encourage industry consultation and participation;
- iii) investigate establishing software compatibility and efficiencies whenever possible;
- iv) undertake the division of special pool and reserve studies to avoid duplication; and
- v) implement joint pool reserves or province-wide studies when required and when resources allow.

The agencies also agreed to establish a four person Joint Technical Steering Group (JTSG). Initially, the mandate of the JTSG will be to recommend resolution of differences in estimates of reserves, recommend and direct a program of special studies, and monitor the implications of alternative reserves definitions and evaluate their applicability to the reserves database. The database and geological maps will reside at and be maintained by MEI.

Administrative Matters

Retirement

On 30 December 1997 the Chairman of the Board **Mr. Roland Priddle** retired. Mr. Priddle had been Chairman of the Board since January 1986.

The Vice-Chairman, **Mr. Kenneth Vollman** became Acting Chairman of the Board, effective 31 December 1997, until a permanent appointment is announced. Mr. Vollman joined the staff of the Board in 1973 as an oil and gas supply engineer. He occupied a number of increasingly more responsible staff positions including appointment as Director General Energy Regulation in 1982 and Director General Pipeline Regulation in 1985.

Mr. Vollman was appointed Temporary Member of the Board in 1988, full Member in 1993 and Vice-Chairman in 1995. His term will end on 2 June 2000.

Appointment

On 31 October 1997, the Minister of Natural Resources Canada appointed **Mr. Cecil Mervin Ozirny** as a temporary Member of the Board.

At the time of his appointment, Mr. Ozirny was President and Chief Executive Officer of Simply Natural Spring Water Corp. of Winnipeg and senior partner in the Ozirny, Bell, Kreclawich & Martens law practice at Melville, Saskatchewan. Mr. Ozirny holds both a Bachelor of Commerce degree and a Bachelor of Law degree from the University of Saskatchewan. He also completed the International Trade Logistics module, Forum for International Trade and Training, with great distinction, from the Wascana Institute of Applied Science and Technology in Regina, Saskatchewan.

Mr. Ozirny's professional memberships include the Law Society of Saskatchewan and the Law Society of Manitoba. During his career, he has been an Agent of the Attorney General for Saskatchewan, an Agent for the federal Minister of Justice, an acting Judge of the Magistrates Court of Saskatchewan and a Member of the Canadian Human Rights Tribunal. Mr. Ozirny is the International Chairman of the North Central American Trade Corridor, an organization that promotes trade among Canada, the United States and Mexico; and a Member of the Melville & District Chamber of Commerce.

Documents Issued - October to 31 December 1997

Reasons for Decision

Novagas Canada Ltd. - Westcoast Energy Inc. - Gas Stripping Arrangements at Taylor, British Columbia - MH-2-97 - October 1997

Sable Island Gas Projects - GH-6-96 - NEB Reasons for Decision - December 1997

TransCanada PipeLines Limited - 1998 Facilities - GH-2-97 - December 1997

Interprovincial Pipe Line Inc. - Reversal of Line 9 - OH-2-97 - December 1997

Report

Sable Island Gas Projects - The Joint Public Review Panel Report - October 1997

Other

Memorandum of Guidance - Fair Market Access Procedure for the Licensing of Long-term Exports of Crude Oil and Equivalent - 17 December 1997

Instructions for Filing

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 311 - Sixth Avenue S.W., Calgary, AB T2P 3H2; Telephone (403) 292-4800; Fax (403) 292-5503.

Appendix I lists the number of copies required for the different types of applications.

Telephone Numbers

Appendix II lists the telephone number of Board Members and key staff.

Web Site

Internet users are invited to visit the Board's Internet home page at www.neb.gc.ca.

Board Document System (BDS)

The Board's BDS system is available to the public, offering direct access to an electronic library of regulatory documents. Document contents may be searched on-line with

full-text search capabilities. Presently, the system contains Reasons for Decision dating from 1985 and hearing transcripts from 1991. Other document types will be added gradually, as they become available in standardized electronic format. The BDS may be used from remote locations or at the Board's Calgary office. The only cost to users will be long-distance telephone charges, if any, to connect to the system.

All users are asked to register with the Board and sign a public access agreement. This agreement explains the responsibilities of the user and outlines relevant terms and conditions. Request for a user account may be made by mail, facsimile or telephone at (403) 292-4800. For more information, a brochure on the Board Document System is also available.

Mailing Lists

If you are not already on the Board's mailing lists and wish to be added thereto, please write to the Secretary of the Board providing your mailing address and the type of material you would be interested in receiving. The following are the Board's current mailing lists:

- L1: Everything the Board issues
- L4: Oil and gas matters
- L5: Electrical matters
- L6: Annual Report only
- L7: News Releases only
- L8: Regulatory Agenda only
- L9: Environmental matters

National Energy Board

M. L. Mantha

A/Secretary

For copies of documents contact:

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Fax: (403) 292-5503

Email: orders@neb.gc.ca

For information contact:

Denis Tremblay

Tel: (403) 299-2717

Fax: (403) 292-5503

Email: denis.tremblay@neb.gc.ca

Appendix I

Number of Copies Required for Filings

Applicants are requested to provide the following number of copies of their applications or other filings to the National Energy Board. For matters not listed below, one copy is sufficient.

Type of Application or Filing	No. of Copies	Type of Application or Filing	No. of Copies
(a) Hearing Matters		(iii) Oil Exports	
(i) Certificates		Registered Oil Export Orders	05
Pipeline	25	(iv) Tolls	
Power Line	20	Class I and II Adjustments	20
(ii) Export Licences		Interim Orders	20
Natural Gas	25	Operating and Maintenance Budgets	20
Electricity	20	Changes in Depreciation Rates	20
(iii) Tolls	25	Quarterly Surveillance Reports	20
(iv) Land Acquisitions	20	New or Changed Tariffs	20
(b) Non-Hearing Matters		Domestic Gas Sales Contracts and Amendments	20
(i) Natural Gas		Amendments to Tariff Orders	20
Export Orders	20	(v) Pipelines and Power Lines	
Orders for Transmission Access	20	Permits	15
Licence Amendments	20	Exemption Orders Pipelines (Sec. 58)	20
Amendments to Export Contracts	20	Certificate Amendments	20
Licence Revocations	20	Leave to Sell or Transfer	20
(ii) Electricity Exports		Incident Reports	20
Permits	15	(vi) Other	
Licence or Permit Amendments	15	Application for Review	20
Licence or Permit Revocations	15		

The number of copies of interventions or submissions to be provided in response to applications will be specified in the applicable hearing order. Private individuals who would find the provision of multiple copies an undue financial burden may file one copy, with a request to be excused from multiple filing.

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 311 - Sixth Avenue S.W., Calgary, Alberta, T2P 3H2: Telephone (403) 292-4800; Fax (403) 292-5503.

Appendix II

Selected List of Telephone Numbers

(Area Code 403)

General Information	292-4800	Professional Leaders		
Incident Reporting Number	1-800-632-1663	Environment	Ken Sato	299-3675
	1-800-NEB-1-ONE	Energy Resources	Vacant	
Publication Office	Tel: 299-3562	Engineer	Vacant	
	Fax: 292-5503	Economics	Glenn Booth	299-3621
	Email: orders @neb.gc.ca			
Web Site	www.neb.gc.ca			

Board Members

Chairman	Vacant	
Secretary	Carmen Morin	299-2726
Acting Chairman	Kenneth Vollman	299-2730
Secretary	Lillian Handelman	299-2741
Member	Anita Côté-Verhaaf	299-2739
Secretary	Lillian Handelman	299-2741
Member	Judith Snider	299-2737
Secretary	Louise Niro	299-2734
Member	Diana Valiela	299-2729
Secretary	Caroline Healy	299-2728
Member	Rowland J. Harrison	299-2736
Secretary	Louise Niro	299-2734
Temporary Member ^(a)	Gaétan Caron	299-2700
	Jan Dane	299-2701
Temporary Member ^(b)	Cecil Ozirny	299-2740
	Caroline Healy	299-2728

(a) Temporary member appointed on 4 September 1997 for a period of 24 months.

(b) Temporary member appointed on 31 October 1997 for a period of six months.

Executive Director

Executive Director	Gaétan Caron	299-2700
Admin. Assistant	Jan Dane	299-2701

Legal Services

General Counsel and Director	Judith Hanebury	292-6497
Counsel	Peter Noonan	299-3552
Secretary	Susan Gudgeon	299-2704
Counsel	Margery Fowke	299-2708
Counsel	Claire McKinnon	299-2707
Counsel	Lori Ann Boychuk	292-2709
Secretary	Corina Smith	299-3551
Counsel	Christine Beauchemin	292-6489
Counsel	Gino Grondin	292-6495
Counsel	Peter Enderwick	292-4104
Secretary	Patricia Rouleau	292-6540

Information Management Business Unit

Business Unit Leader	Scott Richardson	299-2711
Secretary and Team Leader		
Regulatory Operations	Michel Mantha	299-2714
Technical Project Manager, Electronic Regulatory Filing	Neil Levette	299-3613

Communications

A/Team Leader	Ann Boiteau	299-2713
Communications Officer	Denis Tremblay	299-2717
Communications Officer	Ross Hicks	299-3930
Communications Officer	Ruth Grenville	299-2719
Reception		292-4800

Library

Team Leader	Shawn Aitken	299-3932
Library, Information		299-3561

Applications Business Unit

Business Unit Leader Brenda Kenny 299-3565

TransCanada PipeLines Limited and Trans Québec & Maritimes Pipeline Inc.

Team Leader Steve Brown 299-3653

Westcoast Energy Inc. and Trans Mountain Pipe Line Company Ltd.

Team Leader Hans Pols 299-3189

Interprovincial Pipe Line Inc., Trans-Northern Pipelines Inc. and Express Pipeline Ltd.

Team Leader Christine van Egmond 299-2783

Alberta Natural Gas Company Ltd, Foothills Pipe Lines Ltd. and Alliance Pipeline Ltd.

Team Leader Jim Fox 299-3628

Cochin Pipe Lines Ltd., Part VI and Natural Gas Liquids

A/Team Leader Gurdeep Gill 299-3659

Commodities Business Unit

Business Unit Leader Terrance Rochefort 299-3646

Commodity Convergence

Team Leader Jawed Aziz 299-3630

Gas

Team Leader Bill Bingham 299-3198

Oil

Team Leader Barry Lynch 299-3197

Electricity

Team Leader Julian Emanuel 299-3186

Resource Assessment

Team Leader Jim Davidson 299-3135

Operations Business Unit

Business Unit Leader John McCarthy 299-2766

Health, Safety and Environment

Team Leader Wayne Marshall 299-3901

Frontier

Team Leader Terry Baker 299-2792

Regulatory Development

Team Leader Bharat Dixit 299-3903

Pipeline Accident Investigation

Team Leader Paul Trudel 299-2768

Corporate Services Business Unit

Business Unit Leader Sylvia Farrant 299-2703

Administration

Coordinator Sylvie Joannis 292-4056

Human Resources 299-4056

Appendix III

Section 58 Applications

The Board has approved or is considering several applications under section 58 of the NEB Act involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. These matters may be considered by the Board without a public hearing.

Gas Pipelines

Applicants	File/Order Nos.	Application	Est. Cost
Canadian Natural Resources Limited	File: 3400-C298-1 Order: XG-C298-48-97	Construct a 2.5 -kilometre pipeline between Alberta and Saskatchewan known as the John Lake Pipeline	215 400
Forty Mile Gas Co-op Ltd.	File: 3400-F073-1 Decision Pending	Extend a low pressure natural gas distribution system by installing approximately 450 metres of 25 millimetre polyethylene pipe to serve three buildings at the U.S. Customs, Wildhorse, Montana. On 6 November 1997, the Board sent a letter to FMGCL requesting additional information.	8 100
TransCanada PipeLines Limited	File: 3400-T001-137 Order: XG-T1-41-97	Instal aftercoolers at Stations 2, 62, 77 and 123 .	96 300 000
	Filed: 3400-T001-143 Order: XG-T1-52-97	Instal pig launchers and receivers; replace sections of pipe and mainline valves; instal intermediate valve sites. Work encompasses 150 sites along the system from Saskatchewan to Ontario.	113 379 000
	File: 3400-T001-144 Order: XG-T1-55-97	Install sales tap at Ste Agathe and Elizabethtown.	309 000
	File: 3400-T001-145 Order: XG-T1-56-97	Install two bridle connections, one on each of Lines 100-2 and 100-3 at MLVs 88-2 and 88-3, together with 250 metres of associated piping to a meter station at Compressor Station 88 near Calstock, Ontario.	512 000
	File: 3400-T001-142 Decision Pending	Install PCB storage compound and manipulation, accumulation, eventual transport and disposal of PCB waste. On 7 October 1997, the Board sent a letter to TransCanada requesting that it conduct an Early Public Notification relative to this project. TransCanada requested that the applied be put on hold until the spring of 1998.	15 000
Westcoast Energy Inc.	File: 3400-W005-166 Order: AO-XG-W5-11-97	Amend an existing Order. Install slug catcher at Peggo booster Station.	485 000
	File: 3400-W005-177 Order: XG-W5-46-97	Recommission Clark unit at compressor unit to Grizzly Valley Pipeline and install over pressure protection valve at Bullmoose Pipeline. On 7 October 1997, the Board sent a letter to Westcoast accompanying Order XG-W5-46-97 denying a request to increase maximum operating pressure for the Bullmoose Pipeline.	1 282 000

Gas Pipelines

Applicants	File/Order Nos.	Application	Est. Cost
	File: 3400-W005-182 Order: XG-W5-49-97	Project P6454: Construct a building in British Columbia to house inlet H2S analyzer.	90 000
	File: 3400-W005-164 Order: XG-W5-50-97	Project P5979: Rock revetment projects at MP 559.5 of the Fort St. John Mainline at an unnamed tributary to the Cold water River and at MP 147 at the Bear Creek Crossing.	130 000
	File: 3400-W005-179 Order: XG-W5-51-97	Project P6242: Improve the integrity of the Alberta Mainline on the south slope of the Peace River.	567 080
	File: 3400-W005-181 Order: XG-W5-53-97	Sale of a pipeline to Federated Pipe Lines (Western) Ltd. The is 6.5 kilometres in length and is called the Fort St. John Trunk Line.	0
	File: 3401-W005 Decision Pending	Project P6361: Install a cathodic protection impressed ground bed system for the Junior Sierra Pipeline. Project P6407: Install a 2 cylinder diesel powered electrical generator in a 10' x 10' building and a cathodic protection impressed ground bed system for the Shekile Pipelines . On 1 December 1997, the Board initiated an environmental assessment for the proposed projects.	76 000
	File: 3400-W005-183 Decision Pending	Project P6335: Waste handling & drying pad installation. Project P6323: Add casing and fill. Project P4826: Radio system expansion. Project P6361: Ground bed Mobil Sierra replacement. Project P6407: Ground bed and power on Shekilei pipeline. On 1 December 1997, the Board sent a letter to Westcoast requesting additional information for five of the seven proposed projects.	1 576 000
Total for Gas Pipeline Applications Approved			213 269 480

Oil Pipelines

Applicants	File/Order Nos.	Application	Est. Cost
Interprovincial Pipeline Inc.	File: 3400-J001-62-1 3400-J001-79-1 Orders:AO-1-XO-J1-3-96; AO-1-XO-J1-2-97; AO-1-XO-J1-4-97	Amend existing NEB Orders. The amendments are changes in scope of projects which incur additional costs for the projects.	1 202 700
	File: 3400-J001-92 Order: XO-J1-35-97	Line 10 Expansion Program at Westover Station, Ontario - Install a new pumping unit, associated piping and electrical connections and a new sonic flow meter.	2 170 000
Trans Mountain Pipe Line Company Ltd.	File: 3400-T004-52 Order: XO-T4-31-97	Modify the piping configuration at the Westridge Terminal Dock at Burnaby, B.C.	88 000
	File: 3400-T004-54 Decision Pending	Realign approximately 105 metres of the existing access road way near kilometre 609, in British Columbia, enabling the use of the adjacent provincial highway culvert for crossing the Runoff Creek.	13 000
Trans-Northern Pipelines Inc.	File: 3400-T002-36 Decision Pending	Five projects.	2 140 000
Total Oil Pipeline Applications Approved			3 460 700
Total Gas and Oil Pipeline Applications approved			216 730 180

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament. Over the course of its history, it has played an important role in the development of Canada's energy sector.

The Board's regulatory powers under the National Energy Board Act include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and designated interprovincial and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment, and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by the Ministry of Labour to administer Part II of the Canada Labour Code.

National Energy Board
311 Sixth Avenue S.W.
Calgary, Alberta
T2P 3H2

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as represented by the National Energy Board

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par l'Office national de l'énergie

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Regulatory Agenda

The period covered in this Regulatory Agenda is 1 January to 31 March 1998

Applications Considered by Public Hearing

Public Hearings

Recent Hearing Decisions

1. Various Gas Exports - GHW-2-97

Reasons for Decision dated March 1998; issued on 3 March 1998.

The Board approved six applications for eight licences to export some 35.2 billion cubic metres (1.2 trillion cubic feet) of natural gas for periods of two to ten years. The applications were from Androscoggin Energy LLC, PanCanadian Petroleum Limited (two licences), ProGas Limited (three licences), Vermont Gas Systems, Inc. and Wascana Energy Inc.

The Board conducted a written hearing to consider the applications.

2. Trans Québec & Maritimes Pipeline Inc. ("TQM") - Natural Gas Pipeline - PNGTS Extension - GH-1-97

Reasons for Decision dated April 1998; issued on 3 April 1998.

The Board approved an application by TQM to construct a natural gas pipeline from Lachenaie, Quebec to East

Hereford, Quebec near the New Hampshire border, where the proposed pipeline would connect with the Portland Natural Gas Transmission System ("PNGTS"). The project is known as the "PNGTS Extension".

In February 1998, the Board submitted to the Minister of the Environment (the "Minister") and the Canadian Environmental Assessment Agency a Comprehensive Study Report ("CSR"), which was prepared in accordance with the *Canadian Environmental Assessment Act* ("CEAA"), with respect to the project. The report was submitted on behalf of the Board and the Department of Fisheries and Oceans ("DFO"). On 31 March 1998, the Minister decided, after having considered the CSR regarding the project and the

NOTICE

In January, the Board started providing monthly updates on the Internet of the most recent issue of the Regulatory Agenda. The Board will not be mailing out hard copies of the monthly updates. The Board will, however, continue to issue hard copies of the quarterly Regulatory Agenda for those persons who do not have access to the Internet.

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PREFACE

The purpose of this quarterly agenda is to provide information on the Board's activities.

Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the National Energy Board Act, R.S.C. 1985, c.N-7, as amended.

"Our purpose is to make decisions that are fair, objective and respected."



comments received from the public, to refer TQM's project back to the Responsible Authorities for action to be taken under the CEAA.

The Board found that, taking into account the implementation of appropriate mitigative measures as identified in the public hearing held on this project and those listed as conditions to the certificate to construct the pipeline, the project is not likely to cause significant adverse environmental effects.

On 2 April 1998, DFO, who was involved in navigation and fish habitat protection with respect to watercourse crossings, informed the Board of its decision. DFO indicated that it is prepared to perform the functions under the *National Energy Board Act* as well as the functions under the *Fisheries Act*.

Furthermore, on 2 April 1998, Environment Canada finalized its environmental screening report regarding the impact of the proposed facilities on file aux Fermiers. In its report, Environment Canada concluded that, taking into account the mitigative measures to be undertaken and the additional conditions with respect to the disposition of interests in the island to allow passage of the pipeline, the portion of the project on file aux Fermiers is not likely to cause significant adverse environmental effects.

The Board approved the construction of 213.2 kilometres (132.2 miles) of pipeline from Lachenaie to the Canada/U.S. border near East Hereford. It also approved the installation, for the first year of operation, of a 7.0 megawatt electric motor-driven compressor unit at Lachenaie and two meter stations, one at Waterloo and one at East Hereford. For the second year of operation, the Board approved the installation of an additional 3.2 megawatt electric motor-driven compressor unit at East Hereford and one gas aftercooler unit at Lachenaie. The estimated cost of the project is \$273.8 million with a planned in-service date of 1 November 1998.

Beginning 1 November 1998, 4.3 million cubic metres (152.2 million cubic feet) per day of natural gas would be delivered at East Hereford to supply markets in the U.S. Northeast and 1.0 million cubic metres (33.7 million cubic feet) per day would be delivered at Waterloo to supply markets in the Eastern Townships of Quebec. In the second year of operation, the deliveries would increase to 5.9 million cubic metres (210.0 million cubic feet) per day for East Hereford and to 1.4 million cubic metres (48.7 million cubic feet) per day for Waterloo.

The Board considered the application at a public hearing, held from 17 November to 17 December 1997, in Montreal and Magog-Orford, Quebec. The hearing was also used as a forum for public participation in the comprehensive study of the project.

Hearings in Progress

1. *Alliance Pipeline Ltd. ("Alliance") - Natural Gas Pipeline - GH-3-97*

The Board is holding a public hearing, which commenced on 6 January 1998 in Calgary, on an application from Alliance for approval to construct the Canadian portion of a natural gas pipeline and associated facilities from northeastern British Columbia and northwestern Alberta to the midwest United States. Portions of the hearing were held in Fort St. John, Edmonton and Regina from 4 to 18 February 1998 (seven days). Alliance is also seeking related toll and tariff authorization. The hearing is also being used as a forum for public participation in the comprehensive study of the project to be conducted under the *Canadian Environmental Assessment Act*.

The Board held a pre-hearing conference from 17 to 26 November 1997 (six days) in Calgary to consider several motions filed with the Board concerning the application. The Board rendered decisions on those motions on 24, 25 and 26 November 1997.

The Canadian portion of the Alliance Pipeline Project would consist of (i) approximately 1 565 kilometres (970 miles) of mainline and related facilities from a point near Gordondale, Alberta to a point on the Canada/U.S. border near Elmore, Saskatchewan and (ii) approximately 770 kilometres (480 miles) of lateral pipelines and related facilities in British Columbia and Alberta. The U.S. portion of the mainline, to be constructed by Alliance Pipeline L.P., would extend approximately 1 430 kilometres (890 miles) to the system's terminus near Chicago, Illinois. The system would be capable of delivering 37.5 million cubic metres (1.325 billion cubic feet) of natural gas per day.

The estimated cost of the Canadian portion of the project is \$1.9 billion. The project is proposed to be in the service in the second half of 2000.

2. *Northstar Energy Corporation ("Northstar") - Natural Gas Pipeline - GH-1-98*

The Board is holding a public hearing which commenced on 30 March 1998 in Calgary on an application by Northstar to construct and operate a natural gas pipeline in southwestern Alberta and southeastern British Columbia.

Northstar applied for approval to construct approximately 7.2 kilometres (4.5 miles) of pipeline from its' Coleman Gas Plant, located west of Coleman in Savanna, Alberta, through the Phillips Pass, to connect to the Alberta Natural Gas Company Ltd main transmission pipeline west of the Alberta/British Columbia border. The capital cost of the project is estimated to be \$6.467 million. The initial contracted capacity is anticipated to be 620 000 cubic metres (22 million cubic feet) of natural gas per day.

Board staff conducted public seminars in advance of the hearing in Coleman, Alberta to explain the hearing procedures, routing and land acquisition matters and to answer related questions.

Hearings Scheduled

1. Interprovincial Pipe Line Inc. ("Interprovincial") - Terrace Phase I Program - OH-1-98

The Board will hold a public hearing commencing on 15 April 1998 in Calgary on an application dated 2 December 1997, revised on 31 March 1998, from Interprovincial to construct 15 new sections of 914 millimetre (36 inch) diameter pipe to connect to existing 1219 millimetre (48 inch) diameter loop sections to create a fifth pipeline between Kerrobert, Saskatchewan and Gretna, Manitoba. This project comprises the first phase of the Terrace Expansion Project.

In total, new pipe requirements are approximately 619 kilometres (384 miles) of pipeline, 19 new pumping unit additions, replacement and modification to eight existing pumping units, 14 tie-in facilities and related station facility equipment. Approximately 373 kilometres (231 miles) of pipeline would be constructed within existing Interprovincial easements and approximately 246 kilometres (152 miles) would be constructed on new easements to be acquired adjacent to Interprovincial's existing easements. The applied-for facilities would increase throughput capability of the existing Interprovincial system by approximately 27 000 cubic metres (170,000 barrels) per day. The pipeline would be used primarily to satisfy export markets. The estimated capital cost of the proposed expansion facilities is \$610 million with a planned in-service date for the new line pipe of 31 January 1999 and for the pumping facilities, the in-service date is planned for 1 September 1999.

2. Souris Valley Pipeline Limited ("Souris Valley") - Carbon Dioxide Pipeline - MH-1-98

The Board will hold a public hearing commencing on 4 May 1998 in Regina on an application by Souris Valley to construct and operate a carbon dioxide transmission pipeline in southeastern Saskatchewan.

Souris Valley plans to construct a 61-kilometre (38-mile) pipeline extending from a point at the international boundary approximately 25 kilometres (16 miles) southwest of Estevan, Saskatchewan to a terminus approximately 3.2 kilometres (two miles) northeast of Goodwater, Saskatchewan. The pipeline will be used to transport carbon dioxide from the proposed Dakota Gasification Company Pipeline Project in North Dakota to the existing Weyburn oil field.

Souris Valley has signed an agreement with PanCanadian Petroleum Limited to provide 2.6 million cubic metres (95

million cubic feet) of carbon dioxide per day to the Weyburn oil field near Goodwater, commencing December 1999. The carbon dioxide will be used for implementation of the Weyburn Miscible Flood Project, a separate downstream project expected to extend the life of the existing oilfield by 25 years. The estimated capital cost of the project is \$13.67 million with a planned in-service date of December 1999.

3. AEC Suffield Gas Pipeline Inc. ("AEC Suffield") - Natural Gas Pipeline - GH-2-98

The Board will hold a public hearing commencing on 25 May 1998 in Calgary on an application by AEC Suffield to construct and operate a natural gas pipeline from southeastern Alberta to southwestern Saskatchewan.

AEC Suffield applied to construct approximately 114 kilometres (71 miles) of pipeline and associated control facilities which will begin near the southwestern corner of the Suffield Military Block in Alberta, extend along the southern end of the military block and then northeast to join the TransCanada PipeLines Limited system near Burstall, Saskatchewan. The AEC Suffield pipeline will have a design capacity of approximately 5.67 million cubic metres (200 million cubic feet) of natural gas per day. The estimated capital cost of the project is \$26.2 million with a planned in-service date of 1 November 1998.

Hearings Postponed

1. Mr. Robert A. Milne, 3336101 Ontario Limited, c.o.b. as Milne Crushing & Screening - MH-1-97

For more information on this matter, refer to item 1 under *Hearings Postponed* in issue No. 62 of the *Regulatory Agenda* dated 1 October 1997.

2. TransCanada PipeLines Limited - Contract Renewal Rights and Expansion Policy Requirements - RH-3-97

For more information on this matter, refer to item 2 under *Hearings Postponed* in issue No. 62 of the *Regulatory Agenda* dated 1 October 1997.

Hearing Applications

Hearing Application Adjourned

1. Trans Québec & Maritimes Pipeline Inc. ("TQM") and TransMaritime Gas Transmission Ltd. ("TMGT") - Natural Gas Pipeline - TransMaritime Pipeline Project

For more information on this matter, refer to item 1 under *Hearing Applications, Hearing Application Adjourned* of issue No. 63 of the *Regulatory Agenda* dated 1 January 1998.

Hearing Application Suspended

1. *Crowsnest Pipeline Project - Natural Gas Pipeline*

For more information on this matter, refer to item 1 under *Hearing Applications, Hearing Application Suspended* of issue No. 63 of the *Regulatory Agenda* dated 1 January 1998.

Hearing Applications Filed

1. *North Atlantic Pipeline Inc. ("North Atlantic") - Underwater Natural Gas Pipeline*

On 10 October 1997, North Atlantic applied to construct and operate an underwater natural gas pipeline on Canada's east coast.

North Atlantic is proposing to construct its pipeline in three phases. The first phase would commence at the proposed Sable Offshore Energy Project facilities in Country Harbour, Nova Scotia, and is designed to initially transport Sable Island gas to markets in Halifax, Nova Scotia and to facilities owned by North Atlantic (U.S.) for delivery to other North American markets from a point at Seabrook, Maine. The expected in-service date is 1 November 1999.

The second phase of the project would consist of the facilities required to transport natural gas produced from the Jeanne D'Arc Basin on the Grand Banks of Newfoundland, to Argentina, Newfoundland to serve the Newfoundland market.

The third phase of the project would involve construction of a pipeline from Argentina to Country Harbour, to allow Grand Banks gas and gas developed in the future in the Laurentian sub basin, to access markets in the Maritimes provinces, the United States and central Canada.

North Atlantic estimates the capital costs for the project at \$3.85 billion.

2. *TransCanada Gas Services ("TCGS") - Natural Gas Export Licence*

On 13 March 1998, TCGS, a Division of TransCanada PipeLines Limited, filed an application to export natural gas to New England, U.S.A. markets for a 10-year period commencing on 1 November 1998.

The natural gas, which would be exported from East Hereford, Québec, would be sold to TransCanada Gas Services Inc. to supply markets in New England which consist of local distribution companies, industrials and power generators. The volumes proposed to be exported are: Daily - 845 220 cubic metres (30.0 million cubic feet); Annually - 309.4 million cubic metres (11.0 billion cubic feet); Term - 3 085.1 million cubic metres (109.5 billion cubic feet). The natural gas would be purchased from Signalta Resources Limited's supply within the province of Alberta.

3. *Renaissance Energy Ltd. ("Renaissance") - Natural Gas Export Licence*

On 24 March 1998, Renaissance applied for a licence to export natural gas to the Northeast and Mid-Atlantic regions of the U.S. for a 10-year period commencing on 1 November 1998.

The natural gas, which would be exported from Niagara Falls, Ontario, would be sold to Renaissance Energy (U.S.) Inc. to supply existing and new markets in the U.S. Northeast and Mid-Atlantic. The volumes proposed to be exported are: Daily - 663 000 cubic metres (23.4 million cubic feet); Annually - 242.0 million cubic metres (8.5 billion cubic feet); Term - 2 421.0 million cubic metres (85.5 billion cubic feet). Renaissance will supply the natural gas from its own corporate supply pool within the province of Alberta.

Hearing Applications to be Filed

1. *TransCanada PipeLines Limited ("TCPL") - TransVoyageur Natural Gas Pipeline Project*

On 11 August 1997, TCPL filed a *Notice of Intention to File and Request for Initiation of the Scoping Process for an Environmental Assessment* in which it requested that the Board, along with the Canadian Environmental Assessment Agency, initiate an environmental scoping process for its proposed TransVoyageur natural gas pipeline project. TCPL applied on behalf of TransVoyageur Transmission Limited, which is wholly owned by TCPL.

TCPL advised the Board that TransVoyageur intends to file an application to construct a 1 000-kilometre (620-mile) pipeline from Empress, Alberta to a point near Emerson, Manitoba. The TransVoyageur system would parallel TCPL's system from Empress to a point near either Brandon or Portage La Prairie, Manitoba. The Company is currently looking at two possible corridors for the pipeline, one of which is expected to trigger a Comprehensive Study under the *Canadian Environmental Assessment Act*.

The TransVoyageur system, as proposed, would have an initial capacity of 57 million cubic metres (2.0 billion cubic feet) per day. The planned in-service date is 1 November 1999.

On 23 September 1997, the Board initiated a scoping process for the project as a responsible authority under the *Canadian Environmental Assessment Act*.

2. *St. Clair Pipelines (1996) Ltd. ("St. Clair") - Dawn to Lake Erie Natural Gas Pipeline*

(Refer to item 3 on page 5.)

On 26 September 1997, St. Clair filed a *Notice of Intention to File and Request for Initiation of the Scoping Process for an Environmental Assessment* in which it requested that the Board, along with the Canadian Environmental Assessment

Agency, initiate an environmental scoping process for its proposed Dawn to Lake Erie, Ontario natural gas pipeline project.

St. Clair advised the Board that it intends to file an application to construct a new natural gas pipeline from the Union Gas Limited Dawn Compressor Station near Sarnia, Ontario to the shore of Lake Erie, near Port Stanley, Ontario. Referred to as the "Dawn to Lake Erie Pipeline", the pipeline will connect with the proposed Lake Erie crossing to be constructed and operated by TransCanada PipeLines Limited, which will in turn connect with the proposed Millennium Pipeline Project at the Canada/U.S. border in Lake Erie. Millennium represents a partnership of Columbia Gas Transmission, CMS Energy, MCN Energy, Westcoast Energy (U.S.) Inc. and TransCanada.

The Dawn to Lake Erie Pipeline will consist of approximately 85 kilometres (52.7 miles) of pipeline. The pipeline will have a capacity of 18.4 million cubic metres (650 million cubic feet) per day, with a potential future capacity of 36.8 million cubic metres (1 300 million cubic feet) per day with additional downstream compression. The estimated cost of the facilities is \$178 million with a planned in-service date of 1 November 1999.

On 29 October 1997, the Board initiated a scoping process for the project as a responsible authority under the *Canadian Environmental Assessment Act*.

3. TransCanada PipeLines Limited ("TCPL") - Ontario Pipeline Projects

(Refer to item 2 on page 4.)

On 29 September 1997, TCPL filed a *Notice of Intention to File and Request for Initiation of the Scoping Process for an Environmental Assessment* in which it requested that the Board, along with the Canadian Environmental Assessment Agency, initiate an environmental scoping process for its proposed Ontario natural gas pipeline projects.

TCPL advised the Board that it intends to file an application to construct (1) a 24-kilometre (14.8-mile) pipeline from the Canada/United States border near Courtright, Ontario along its Dawn extension to the Dawn sales meter station near Sarnia, Ontario (2) a 135-kilometre (83.7-mile) pipeline across Lake Erie from the Canadian shoreline near Port Stanley, Ontario to the U.S. shore near North East, Pennsylvania. The Dawn extension line and the Lake Erie crossing will be connected by a 85-kilometre pipeline to be

built by St. Clair Pipeline, a wholly owned subsidiary of Union Energy Ltd. which is itself wholly owned by Westcoast Energy Inc. The estimated cost of the projects is \$171.7 million.

On 29 October 1997, the Board initiated a scoping process for the project as a responsible authority under the *Canadian Environmental Assessment Act*.

4. Maritimes & Northeast Pipeline Management Ltd. on behalf of Maritimes & Northeast Pipeline L.P. ("M&NP") - Halifax Lateral

In response to a preliminary submission dated 12 November 1997 filed by M&NP, the Board, on 10 March 1998, initiated the scoping of the environmental assessment that is required under the *Canadian Environmental Assessment Act* in respect of the Halifax, Nova Scotia Lateral to be constructed by M&NP. M&NP advised the Board that it intends to file an application for the lateral at a later date.

The Board requested comments from the public on the draft scope for the environmental assessment to be conducted by M&NP. This draft scope has been developed in consultation with other federal departments and agencies. The scoping exercise is intended to provide a framework for M&NP environmental assessment and involves a determination of the scope of the project, the factors to be assessed, and the scope of those factors.

M&NP plans to construct a pipeline lateral, which would comprise approximately 120 kilometres (74 miles) of pipeline, from a tie-in to its mainline near Stellarton, Nova Scotia to Halifax.

5. Maritimes & Northeast Pipeline Management Ltd. on behalf of Maritimes & Northeast Pipeline L.P. ("M&NP") - Saint John Lateral

On 12 November 1997, M&NP filed a *Preliminary Submission* to request that the Board, as a Responsible Authority under the *Canadian Environmental Assessment Act*, initiate the scoping activities for the Saint John, New Brunswick lateral. M&NP advised the Board that it intends to file an application for the lateral at a later date.

The Saint John Lateral Pipeline Project comprises approximately 110 kilometres (68 miles) of pipeline from a tie-in to the M&NP mainline near Big Kedron Lake, New Brunswick to the City of Saint John and to an existing paper mill at Lake Utopia, New Brunswick.

Other Applications

The Board had, or has, before it a number of applications and other matters that do not require public hearings. Since the 1 January 1998 issue of the *Regulatory Agenda*, the matters below have been or are being considered by the Board.

Natural Gas Matters

Matter Completed

1. ***New England Power Company ("NEP") and Sceptre Resources Limited ("Sceptre"); NEP and Canadian Natural Resources ("CNR"); NEP and Renaissance Energy Ltd. ("Renaissance") - Contract Amendments and Confidentiality of Pricing Provisions***

On 16 December 1997 and 6 January 1998, the above-noted companies applied for approval of the following agreements underpinning natural gas exports under Licence GL-160 :

- NEP and Sceptre - Amended and Restated Natural Gas Purchase Agreement dated 1 November 1994
- NEP and CNR - Second Amended and Restated Natural Gas Purchase Agreement dated 1 November 1997
- NEP and Renaissance - Amended and Restated Natural Gas Purchase Agreement dated 1 November 1995.

The applicants also requested that the pricing provisions of the amending agreements be kept confidential. Licence GL-160 authorizes NEP to export natural gas to its facilities in Massachusetts and Rhode Island.

On 4 February 1998, the Board denied the requests for confidentiality of the pricing provisions under each agreement. With respect to approval of the amended agreements, the Board requested the applicants to file additional information and to also file a fully disclosed copy of the amended agreements for each of the applications by NEP and CNR; and NEP and Renaissance.

Matter Under Consideration

2. ***Engage Energy Canada, L.P. ("Engage") - Transfer of Several Gas Export Licences***

On 7 May 1997, Engage applied for approval to transfer Licences GL-187, GL-221, GL-222, GL-223, GL-224, GL-225, GL-226 and GL-227 from Westcoast Gas Services Inc. to Engage Energy Canada, L.P.

On 4 March 1998, the Company requested to extend the time necessary to complete certain third party Consents to Assignment supporting the application. On 11 March 1998, the Board confirmed that it will hold Engage's application in abeyance.

Electricity Matters

Matters Under Consideration

1. ***British Columbia Power Exchange Corporation ("Powerex") - Electricity Export Permits***

On 3 February 1998, Powerex applied for four permits to export electricity for a period of 20 years. Powerex seeks authorization to export from over all international power lines between Canada and the United States. The annual quantities of firm energy to be exported would not exceed 15 000 gigawatt hours for British Columbia export points and 20 000 gigawatt hours for other export points. The annual quantities of interruptible energy, less any firm exports actually made, to be exported would not exceed 27 000 gigawatt hours for British Columbia export points and 40 000 gigawatt hours for other Canadian export points.

These new permits would replace permits EPE-41, EPE-42, EPE-43 and EPE-44 which are held jointly with B.C. Hydro and Power Authority. Powerex advised the Board that it expects B.C. Hydro to make a separate application soon for permits for its own export-related activities.

2. ***Ontario Hydro - Amend Export Permit EPE-21***

On 25 July 1995, Ontario Hydro applied for approval to amend Export Permit EPE-21 by deleting certain conditions from the permit in order to allow it to respond in a more timely way to potential business opportunities with any customer whether directly linked to its power system or not.

Permit EPE-21 authorizes Ontario Hydro to export interruptible energy of up to 20 000 gigawatt hours per consecutive twelve-month periods less actual exports under Permit EPE-23 for the period 1 July 1991 to 30 June 2006.

On 25 August 1995 and 3 November 1997, the Board sent letters to Ontario Hydro regarding the application.

Pipeline Matters

Matters Completed

1. Safety Audit Reports

The Board has adopted the Safety Management Audit to Verify Compliance with respect to the Onshore Pipeline Regulations and the Pipeline Crossing Regulations for the following companies:

Company	Date of Report
Westcoast Energy Inc. (Fort Nelson Gas Processing Plant)	7 January 1998
Dome Kerrobert Pipeline Ltd., and PanCanadian Kerrobert Pipeline Ltd.	27 February 1998
Many Island Pipe Lines (Canada) Limited and Mid-Continent Pipelines Limited	19 March 1998

2. AEC West, a business unit of AEC Oil and Gas Partnership as Agent for Alberta Energy Company Ltd. ("AEC West") - Pipeline Construction

On 30 October 1997, AEC West withdrew its application to construct and operate sour and fuel gas pipelines.

On 24 December 1996, AEC West had applied for approval to construct and operate sour and fuel gas pipelines, known as the "Tupper-Hythe Pipelines", from British Columbia to AEC West's Hythe sour gas plant located at 11-18-74-12 W6M in Alberta. The Tupper-Hythe Pipeline would have extended 16.7 kilometres (10.4 miles) and consist of a sour gas line and a fuel gas line to be laid in the same ditch. The estimated cost of the project was \$3 457 000.

3. Chauvco Resources Ltd. ("Chauvco") - Chinchaga Pipeline

On 26 February 1998, the Board approved an application dated 16 October 1997 from Chauvco to: 1) change the substance within an existing pipeline from wet natural gas to dry natural gas; 2) construct natural gas pipeline; and 3) construct a natural gas liquids pipeline. The proposed pipelines will follow the same 17.2-kilometre (10.7-mile) right-of-way of the existing pipeline which extends from c-32-H/94-H-8 in British Columbia to LSD 11-29-96-11 W6M, the existing Shell Canada Limited Hamburg Gas Plant in Alberta. The estimated cost of the project is \$4.1 million.

4. Trans-Northern Pipelines Inc. ("TNPL") - Relocation of a Pipeline

On 7 January 1998, the Board approved an application dated 26 November 1997 from TNPL to relocate a 500-metre segment of pipeline to allow for the proposed construction of a

highway interchange in the Township of Edwardsburgh in Ontario. The estimated cost of the relocation is \$300 000 and will be paid by the Ontario Ministry of Transportation.

5. Westspur Pipeline Company Inc. ("Westspur") - Pipeline Construction

On 23 January 1998, the Board approved an application dated 8 January 1998 from Westspur to construct a 9.4-kilometre (5.8-mile) pipeline from LSD 14-9-2-29 W1M in Manitoba to LSD 14-26-2-30 W1M in Saskatchewan. The estimated cost of the project is \$608 000.

6. Section 58 Applications

The Board has approved or is considering several applications under section 58 of the NEB Act involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. These matters may be considered by the Board without a public hearing. During the period covered by this Regulatory Agenda, the Board approved 27 Section 58 applications for a total of approximately \$45.4 million. See Appendix III for a description of the applications approved or under consideration.

Matters Under Consideration

7. AEC West, a business unit of AEC Oil and Gas Partnership as Agent for Alberta Energy Company Ltd. ("AEC West") - Pipeline Construction

On 22 December 1997, AEC West applied for approval to construct and operate sour and fuel gas pipelines south of Dawson Creek, British Columbia between wellsite d-64-1/93-P-8 in British Columbia and wellsite 15-31-74-13 W6M in Alberta. The pipelines are approximately 4.3 kilometres (2.6 miles) in length and consist of a sour gas line and a fuel gas line to be laid in the same ditch. The estimated cost of the project is \$980 000.

On 2 February and 23 March 1998, the Board sent letters to AEC West requesting additional information.

8. CML Resources Ltd. ("CML") and Renaissance Energy Ltd. ("Renaissance") - Sale and Purchase of an Inter-provincial Polyethylene Fuel Gas Pipeline

On 21 November 1996, CML applied for approval to sell and Renaissance applied for approval to purchase an inter-provincial polyethylene fuel gas pipeline. The pipeline, originally owned by Koch Exploration, extends for 200 metres (656 feet) crossing the Alberta/Saskatchewan border.

On 9 January 1997, the Board sent a letter to Renaissance requesting additional information.

Traffic, Tolls And Tariff Matters

Matters Completed

1. *Government of the Northwest Territories ("GNWT") - Complaint and Notice of Motion - Tolls and Tariffs of Interprovincial Pipe Line (NW) Ltd. ("IPL(NW)") - Norman Wells Pipeline*

On 6 March 1998, the Board approved the tolls that IPL(NW) may charge on its pipeline system for the transportation of oil from Norman Wells, Northwest Territories to Zama, Alberta. IPL(NW) had been on interim tolls since 1 January 1996. The interim toll charged for transportation from Norman Wells to Zama for 1996 was \$34.71 per cubic metre. The Board has now approved reduced final tolls for 1996: \$32.35 per cubic metre from 1 January to 30 June and \$27.19 per cubic metre from 1 July to 31 December. IPL(NW) has calculated that the total refund based upon actual billing to shippers will be \$4.0 million for 1996. The tolls approved for 1997 and 1998 are \$28.81 and \$27.94 per cubic metre, respectively.

The new tolls result from a complaint filed with the Board in 1995 from the GNWT regarding the tolls and tariff on the Norman Wells Pipeline. The complaint identified specific areas where the GNWT believed the current method of calculating the tolls and tariff for IPL(NW) is incompatible with the manner in which the tolls and tariffs of other pipelines regulated by the Board are determined. The Board sought comments from interested parties on the complaint. However, the parties to the complaint agreed to negotiations with all interested or affected organizations. As a result of those negotiations, IPL(NW) filed an application for final tolls based upon the negotiated settlement with interested parties.

2. *TransCanada PipeLines Limited ("TCPL") - Second Report of the 1998.a Tolls Task Force*

TCPL applied for approval of several resolutions as contained in the above-noted report.

The Board approved the following:

Resolution	Date approved	Subject
01-98	17 February 1998	FST differential calculation/Level for 1999 and Beyond
02-98	17 February 1998	Tariff update: General Terms and conditions
03-98	17 February 1998	Extension of Foreign Exchange Management Program
04-98	25 February 1998	Elimination of single handshake service

05-98	23 March 1998	Extension of the Pilot Parking and Loan Service
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06-98	23 March 1998	Enhanced Pipeline Maintenance Program (1998)
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3. *Trans Mountain Pipe Line Company Ltd. ("TMPL") - 1998 Tolls*

On 9 March 1998, the Board approved an application dated 12 February 1998 from TMPL for approval of final tolls effective 1 January 1998. TMPL had been operating on interim tolls since 1 January 1998. The revenue requirement for 1998 is approximately \$111.6 million compared to \$103.3 million for 1997 and the average toll increase is 3.49 per cent.

4. *Trans-Northern Pipelines Inc. ("TNPL") - 1998 Tolls*

On 23 March 1997, the Board approved an application dated 27 February 1998 from TNPL for approval of final tolls for 1998. TNPL had been operating on interim tolls since 1 January 1998. The revenue requirement for 1998 is approximately \$27.5 million compared to \$28.3 million for 1997 and the weighted average toll decrease is 3.6 per cent.

Matters Under Consideration

5. *Foothills Pipe Lines (Alta.) Ltd., Foothills Pipe Lines (South B.C.) and Foothills Pipe Lines (Sask.) Ltd. - 1997 Operating and Maintenance Expense Budgets*

On 5 December 1997, Foothills Pipe Lines Ltd. ("Foothills") applied, on behalf of the above noted subsidiaries, for approval of Operating and Maintenance Expense Budgets for the 12-month period ending on 31 December 1998.

On 22 December 1997, the Board advised Foothills that, before making a final decision on the applied-for budgets, it wished to consider Foothills' actual 1997 costs and the analysis of the 1998 operating and maintenance expense variances due to be filed with the Board on 28 February 1998. Therefore, the Board decided to issue an interim order approving interim budgets for the year ending 31 December 1998 equal to 50 percent of the budgets submitted.

6. *Foothills Pipe Lines Ltd. ("Foothills") - Negotiated Settlement*

On 17 March 1998, Foothills filed an application for approval of a negotiated settlement of the Basket Clause in its tariff and an amended contract renewal policy. The Basket Clause is currently a provision in the tariff to change the depreciation rate applicable to Foothills' rate base assets as of specified trigger dates for each of four Zones. The effect of this change in depreciation rates is to fully depreciate

Foothills' unamortized assets within four years. The last tariff amendment regarding the trigger dates shows the Basket Clause becoming effective 1 November 1997 for Zones 6 and 9 (Eastern Leg) and 1 November 1999 for Zones 7 and 8 (Western Leg). Based on the current level of unamortized rate base, the effect of triggering the Basket Clause would increase tolls on Foothills materially. Foothills' tolls have been on an interim basis since 1 November 1997.

On 30 March 1998, the Board sought comments on the merits of the settlement. Parties were given until 9 April 1998 to comment and Foothills was given until 17 April 1998 to reply to comments received.

7. PanCanadian Petroleum Limited - Request for Condensate Transportation

For further information on this matter, refer to item 4 under *Traffic, Tolls and Tariff Matters, Matters Under Consideration* of issue No. 62 of the *Regulatory Agenda* dated 1 October 1997.

8. TransCanada PipeLines Limited ("TCPL") - 1998 Tolls

On 23 March 1998, TCPL filed an application for approval of final tolls the Company may charge for the period 1 April to 31 December 1998 for the transportation of natural gas to markets in Canada and the United States. TCPL has been operating on interim tolls since 1 January 1998.

In its application, TCPL forecast a 1998 Gross Revenue Requirement of \$1,951 million for its mainline operations. TCPL forecast an overall Rate of Return of 9.46 per cent, compared with 9.85 per cent that was approved for 1997. This includes a Rate of Return on Common Equity of 10.21 per cent approved for 1998, as per the adjustment mechanism approved in the Multi-Pipeline Cost of Capital Decision (RH-2-94), a decrease from the 1997 rate of 10.67 per cent. TCPL's deemed Common Equity Ratio remains at 30 per cent.

The Eastern Zone Toll calculated in the application, effective 1 April 1998, is 90.4¢ per gigajoule. The effect of the proposed Cost of Service on the 1998 Test Year volumes is to increase the annualized Eastern Zone Toll by 3.3¢ per gigajoule from the annualized 1997 Toll.

9. Westcoast Energy Inc. ("Westcoast") - Light-Handed Regulation

On 5 March 1998, Westcoast filed for approval a "Framework for Light-Handed Regulation". Under the Multi-year Incentive Toll Settlement dated 16 May 1997, the parties to the Agreement reserved a number of matters for further negotiation and settlement, including the principles for light-handed regulation. The parties have reached agreement on all matters which were reserved under the Settlement for further negotiation. The Framework provides the mechanism by which Westcoast's tolls for gathering and processing services will be based on negotiated arrangements.

10. Westcoast Energy Inc. ("Westcoast") - Negotiated Shipper-specific Load Retention Service Tariff and Tolls

On 23 December 1997, Westcoast applied for approval of a tariff entitled "FN. Contract No. 1, Load Retention Service, Fort Nelson Area, Raw Gas Transmission and Treatment Services". This tariff contains tolls to be charged by the Company to a shipper in the Fort Nelson area for gathering and processing services through Westcoast's existing facilities.

On 15 January 1998, the Board invited interested parties to comment on the proposed Tariff.

Safety Matter

1. Safety Advisory NEB SA97-1

On 15 January 1998, the Board issued a safety advisory following two incidents involving the failure of cap screws on NPS 30 PN 100 flange-by-flange Tilting Disc Check Valves manufactured by Dominion Engineering Works Ltd. The cap screws failed due to hydrogen embrittlement. In its Safety Advisory the Board initiated the following preventative actions for pipeline companies under its jurisdiction:

- a) pipeline companies shall determine if flange-by-flange Tilting disc Check Valves manufactured by Dominion Engineering Works Ltd, exist on their pipeline system;
- b) if so, the pipeline company shall excavate and examine each of the valve's cap screws for hydrogen related damage and make necessary repairs; and,
- c) pipeline companies shall consider examining similar types of installations on their systems for hydrogen-related damage (i.e. other buried bolted assemblies).

Pipeline companies were asked to report back to the Board any findings related to the safety advisory and preventative actions taken.

Frontier Matters

1. Frontier activities for the first quarter of 1998

- (a) Approval was given to Imperial Oil Resources Ltd. for the following activities at Norman Wells:
 - (i) "Authority to Drill a Well" pursuant to section 83 of the *Canada Oil and Gas Drilling Regulations* ("COGDR") was issued for:

IMP Norman Wells N-38X	23-03-98
IMP Norman Wells O-33X	23-03-98
IMP Norman Wells P-39X	23-03-98

- (ii) approvals were issued with respect to:
- the installation of sub-surface safety valves in the wells Q-06, Q-08 and S-10X pursuant to subsection 19(3) of the *Canada Oil and Gas Production and Conservation Regulations* on 30-03-98; and
 - the installation of facilities on Island 5 pursuant to paragraph 5(1)(b) of the *Canada Oil and Gas Operations Act* ("COGOA") on 9-01-98.
- (b) Approval was given to Paramount Resources Ltd. for the following activities:
- (i) "Authority to Drill a Well" pursuant to section 83 of the COGDR was issued for:
- | | |
|----------------------------|----------|
| Paramount et al Liard F-36 | 27-02-98 |
| Paramount et al Liard I-03 | 26-02-98 |
- (ii) approvals were issued with respect to:
- amendment to the logging program pursuant to subsection 82(1) of the COGDR for Paramount et al Arrowhead N-65 well on 04-02-98;
 - completion operations pursuant to paragraph 80(1)(b) of the COGDR on the Paramount et al Arrowhead N-65 well on 12-03-98; and
 - revision to the drilling plan pursuant to section 83 of the COGDR for the Paramount et al Arrowhead O-15 well on 12-03-98.
- (c) Approval was given to Ranger Oil Ltd. for the following activities:
- (i) "Authority to Drill a Well" pursuant to section 83 of the COGDR was issued for:
- | | |
|-------------------------|----------|
| Ranger Little Bear M-39 | 21-01-98 |
|-------------------------|----------|
- (ii) "Alter a Condition of a Well" pursuant to paragraph 5(1)(b) of the COGOA was issued for:
- | | |
|-------------------------|----------|
| Ranger Nota Creek C-17 | 20-01-98 |
| Ranger Fort Liard P-66A | 20-02-98 |
- (iii) approvals were issued with respect to:
- the BOP's pursuant to subsection 107(4) of the COGDR for the Ranger Nota Creek C-17 well on 12-01-98;
 - the production casing/cementing program pursuant to section 63 of the COGDR for the Ranger Nota Creek C-17 well on 17-02-98;
 - the drilling rig pursuant to subsection 83(2)(c) of the COGDR for the Ranger Bear Rock O-20 well on 20-02-98;
 - the choke manifold pursuant to subsection 110(7) of the COGDR for the Ranger Bear Rock O-20 well on 25-02-98;
 - the stimulation programs pursuant to subsection 5(1)(b) of the COGOA on the Ranger Fort Liard P-66A well on 27-02-98;
 - the sampling program pursuant to subsection 187(1) of the COGDR on the Ranger Little Bear M-39 well on 03-03-98; and
 - the suspension of operations pursuant to section 218 of the COGDR on the Ranger Fort Liard P-66A well on 30 March 1998.
- (d) Approval was given to Northern Cross (Yukon) Limited for the following activities:
- (i) "Alter a Condition of a Well" pursuant to paragraph 5(1)(b) of the COGOA was issued for:
- | | |
|---------------------------------|----------|
| Socony Mobil WM Chance YT G-08 | 18-03-98 |
| Canoe River Chance YT J-19 | 18-03-98 |
| Western Minerals Chance YT M-08 | 18-03-98 |
- (e) Approval was given to the Inuvialuit Petroleum Corporation for the following activities:
- (i) "Authority to Drill a Well" pursuant to section 83 of the COGDR was issued for:
- | | |
|----------------|----------|
| IPC Ikhil J-35 | 23-02-98 |
| IPC Ikhil N-26 | 20-03-98 |
- (ii) "Alter a Condition of a Well" pursuant to paragraph 5(1)(b) of the COGOA was issued for:
- IPC Ikhil K-35 well on 15-01-98
- (iii) approvals were issued with respect to:
- the training requirements pursuant to subsection 150(2) of the COGDR for the IPC Ikhil K-35 well on 14 January 1998;
 - the casing repair program pursuant to section 63 of the COGDR for the IPC Ikhil K-35 well on 18-02-98;
 - training requirements pursuant to subsection 150(2) of the COGDR for the IPC Ikhil K-35, IPC Ikhil J-35 and IPC Ikhil N-26 wells on 26-02-98;
 - the training requirements pursuant to subsection 150(1) of the COGDR for the IPC Ikhil K-35, IPC Ikhil J-35 and IPC Ikhil N-26 wells on 06-03-98; and
 - amendment to the completions program pursuant to subsection 196(1) of the COGDR for the IPC Ikhil K-35 well on 25-03-98.

- (f) Approval was given to the Japex Canada Limited for the following activities:
- (i) "Authority to Drill a Well" pursuant to section 83 of the COGDR was issued for:
 - Japex JNOC GSC Mallik 2L-38 15-01-98
 - (ii) approvals were issued with respect to:
 - the removal of core from Canada pursuant to subsection 225(3) of the COGDR on 06-03-98; and
 - disposal of drilling fluid pursuant to section 137 of the COGDR on 18-03-98.
- (g) Four new applications for geological or geophysical operation authorization and two applications for amendments to previously authorized operations were

received. One application was withdrawn and three applications and one amendment to a previously authorized operation were approved pursuant to section 5 of the COGOA as follows:

Company	Area	Approval Date
BFR Geophysical	Ft. Liard	10-02-98
Cascade Oil & Gas	Norman Wells	13-02-98 26-02-98 (amendment)
International Frontier Resources	Ft. Norman	31-03-98

The remaining applications are being reviewed.

Appeals and Reviews

Appeals

Appeals Completed

1. *BC Gas Utility Ltd. ("BC Gas") - Westcoast Energy Inc. - Grizzly Valley Application - GH-6-94*

On 3 April 1996, BC Gas applied to the Supreme Court of Canada for leave to appeal the Federal Court of Appeals decision of 9 February 1996 in which it decided that the Fort St. John Expansion Project and the Grizzly Valley Expansion Project in northeastern British Columbia were under the Board's jurisdiction.

The Court heard the appeal 12 November 1997. On 19 March 1998, the Supreme Court dismissed the appeal.

Appeals Pending

2. *Canadian Hunter Exploration Ltd. ("Canadian Hunter") - Tidal Resources Inc.*

On 22 August 1996, Canadian Hunter filed with the Federal Court of Appeal an application for leave to appeal the Board's decision of 25 July 1996 in which it decided, as a result of the approval of Tidal Resources Inc.'s application to construct a pipeline, that it had jurisdiction over certain upstream gathering facilities located within the province of British Columbia which are owned and operated by Canadian Hunter.

On 7 November 1996, the Court granted the leave to appeal application. On 14 October 1997, Canadian Hunter served the Board with its Memorandum of Points of Argument.

3. *Hydro-Québec - Access to Export Contract*

On 23 September 1996, Hydro-Québec filed a Notice of Motion with the Federal Court, Trial Division to review the Board's decision of 4 September 1996, pursuant to section 44(1) of the *Access to Information Act*, in which the Board decided that a copy of a firm diversity contract between Hydro-Québec and Consolidated Edison would be made available to Mouvement Au Courant as requested.

Pursuant to a preliminary motion, the Court held that it was appropriately seized of the matter via the *Access to Information Act*.

4. *Richard Leroux and 417 Auto Wreckers Limited - TransCanada PipeLines Limited ("TCPL")*

On 6 May 1996, the Federal Court of Appeal quashed an application by Richard Leroux and 417 Auto Wreckers in which it sought an order for judicial review the Board's decision of 22 December 1995. However, the Federal Court of Appeal granted the application for leave to appeal the same decision. In its decision, the Board found the aggregate application of Richard Leroux did not fall within section 81 of the NEB Act as it did not meet the requirement of "mines or minerals".

On 13 January 1998, the Court heard a motion from the Applicants for adjournment of the appeal. TCPL opposed on the grounds that the Applicants had not shown cause why the appeal should not be dismissed. The Court decided that the Applicants had shown cause why the appeal should not be struck. The hearing of the appeal which was scheduled to be heard on 14 January 1998, was adjourned until 28 May 1998.

5. The Industrial Cape Breton Community Alliance Group (the "Alliance") on the Sable Gas Project

On 25 November 1997, the Alliance filed an Originating Notice of Motion with the Federal Court of Canada, Trial Division for the purpose of having the Joint Public Review Panel Report dated 27 October 1997 and the Report of the Commissioner for the Canada-Nova Scotia Offshore Petroleum Board dated 27 October 1997, reviewed, set aside and referred back to the Joint Panel and the Commissioner and that they direct Sable Offshore Energy Project to file a socio-economic impact study incorporating an economic cost-benefit analysis and the environmental effects of the project on Cape Breton. On the same date, the Alliance filed a similar Originating Notice of Motion with the Federal Court of Appeal.

On 13 January 1998, the Federal Court Trial Division heard a motion from the Applicant to add the Governor in Council, the Federal and Nova Scotia Environment Ministers, the National Energy Board and the Canada-Nova Scotia Offshore Petroleum Board as respondents in the judicial review. The Court adjourned the case *sine die* to permit the Alliance to review the written submissions filed by the Sable Offshore Energy Project and Maritime & Northeast Pipeline Management Ltd.

6. Tatham Offshore Inc. - Sable Island Gas Projects

For more information on this item refer to Item 2 under *Appeals, Appeals Completed* of Issue No. 63 of the *Regulatory Agenda* dated 1 January 1998.

Reviews

Review Completed

1. Tatham Offshore Inc. ("Tatham") - Sable Offshore Energy Project ("SOEP") and Maritimes & Northeast Pipeline Project ("M&NPP")

On 27 January 1998, the Board dismissed an application dated 9 January 1998 from Tatham for review and variation of the Board's decision GH-6-96 and of Certificates GC-94 issued for SOEP and GC-95 for the M&NPP.

In its application, Tatham noted that the Board imposed a condition requiring the Sable proponents to commence construction prior to 31 December 2000, while the evidence in the case disclosed that the proponents projected the in-service date as 1 November 1999. Firstly, Tatham asserts that the existing certificate conditions do not conform to the evidence taken at the hearing. Secondly, Tatham requested that the Board advise the proponents of the Sable pipelines that they will bear all investment risk associated with their failure to meet the in-service date and consequent lapsing of the Certificates. Thirdly, Tatham requested that the Board advise

the Sable pipeline proponents that "no relief will be granted from these conditions absent clear and convincing evidence that any delay was caused by events unforeseen and unforeseeable as of the present time". Finally, Tatham requested that Certificate GC-95 issued for the M&NPP be amended to include a condition that construction shall not commence until all downstream regulatory approvals have been obtained.

Review Pending

2. Express Pipeline Ltd. ("Express") - National Energy Board Cost Recovery Regulations ("CRR")

On 19 January 1998, Express applied for a review and/or consideration of a complaint for resolution of a dispute under the Treasury Board policy entitled "Cost Recovery and Charging Policy" of the Board's decision of 6 February 1997 to include Express under Schedule I, Part I of the CRR. All Group 1 pipelines (essentially the major pipelines under the Board's jurisdiction) are classified in the CRR as Schedule I, Part I pipelines, which subjects them to cost recovery charges based on volumes shipped. Group 2 companies are classified as Schedule I, Parts II or III pipelines, which subjects them to fixed charges in relation to cost recovery.

During the public hearing of the application by Express for a certificate to construct a pipeline, the company had requested classification as a Group 2 pipeline. The Board approved the company's request that Express be classified as a Group 2 company. However, the Board stated that "there is no direct link between the classification of a company for regulatory purposes and the classification of a company for cost recovery purposes.". Subsequently the Board amended the CRR, so as to include Express on Schedule I, Part I of the regulations.

Express submitted that the Board's decision to classify it as a Schedule I Part I company was incorrect because Express was not given adequate notice and an opportunity to comment on the reclassification. Furthermore, Express alleged that since the previous practice of the Board was to treat Group 1 and Schedule I, Part I companies as synonymous, Express should have been given an opportunity to address submissions to the Board on this point.

On 17 February 1998, the Board determined that Express had raised a reasonable doubt as to the correctness of the Board's decision of 6 February 1997 to amend the CRR. Accordingly, the Board declared the previous decision to be reviewable and directed that a review be conducted to determine whether the Board's decision should be rescinded or varied and the method or methods necessary to implement that decision.

Amendments to Guidelines and Regulations

Amendments to the Board's guidelines and regulations completed or in various stages of preparation, include the following:

1. Guidelines for Filing Requirements

On 22 January 1998, the Board amended its *Guidelines for Filing Requirements* to incorporate mediation of issues as part of the Early Public Notification ("EPN") process regarding pipeline applications.

The EPN process requires an applicant seeking approval to construct a pipeline to describe the project being applied for and its potential environmental and socio-economic effects to the public and to allow an opportunity for public comment. Applicants and directly affected landowners may mutually agree to participate in a mediation process at any time prior to the commencement of a public hearing for the purpose of resolving issues which: (a) arise during the course of the EPN process; or, (b) remain outstanding after the conclusion of the EPN process. The mediator would work directly with the applicant and the landowner for the purpose of resolving the dispute. The Board will establish and maintain a list of mediators who could work directly with landowners and applicants for the purpose of resolving disputes before the beginning of a public hearing. The list of mediators will be available from the Board.

2. National Energy Board Act Part VI (Oil and Gas) Regulations

The Board is proceeding with recommending that the Governor-In-Council approve amendments to the Regulations because some provisions in the existing Regulations are inconsistent with the new market-based approach to regulating the long-term exportation of crude oil.

3. Onshore Pipeline Regulations

On 8 April 1997, the Board forwarded a new draft consolidation of the *Onshore Pipeline Regulations* to the Department of Justice for legal review.

The Regulations specify the requirements for the protection of property and the environment and safety of the public and company employees in the design, construction, operation, maintenance and abandonment of an onshore pipeline.

The Regulations are further being amended to reflect the incorporation of CSA Z662-96. In the interim, the Board issued an Order to all the pipeline companies under its jurisdiction, exempting them from the requirement to comply with CSA Standard Z662-94 upon the condition that they comply with the CSA Standard Z662-96.

A set of companion guidelines to these Regulations is being prepared for completion later in 1998.

4. Offshore Pipeline Regulations

The *Offshore Pipeline Regulations* will specify the requirements for the protection of property and the environment and the safety of the public and the company's employees in the design, construction, operation and abandonment of an offshore pipeline.

The Regulations are at the drafting stage.

5. National Energy Board Cost Recovery Regulations ("CRR")

Amendments to the CRR have been drafted and are being put forward for Treasury Board approval. Among other things, these amendments will eliminate the need to amend the schedules to include new companies as new generic definitions will encompass all companies subject to cost recovery. The other changes will result in greater efficiencies to the cost recovery processes.

6. Hydrocarbon Processing Plant Regulations

Draft Hydrocarbon Processing Plant Regulations are estimated to be completed in 1998.

7. Regulations and Guidelines Pertaining to Canada Oil and Gas Operations Act

The process of creating and amending regulations pertaining to oil and gas activities, under the provisions of the *Canada Oil and Gas Operations Act*, proclaimed in force in September 1992, is continuing. At present, the regulatory agenda is as follows:

Regulations and Guidelines being drafted:

Canada Oil and Gas Occupational Safety and Health Regulations - Amendments

Canada Oil and Gas Drilling Regulations - Re-structuring

Canada Oil and Gas Production and Conservation Regulations - Amendment

Canada Oil and Gas Diving Regulations - Amendment

Newfoundland Offshore Area Petroleum Occupational Safety and Health Regulations

Nova Scotia Offshore Area Petroleum Occupational Safety and Health Regulations

Physical Environmental Guidelines for Drilling Programs on Frontier Lands

Other Matters

Processing of Part VI Applications for Gas Export Licences

On 12 February 1998, the Board decided that, commencing on 1 March 1998, it will process completed applications for natural gas export licences on a case-by-case basis when received. In recent years the Board has considered such applications in semi-annual hearings following a call for applications. The call letter approach will be discontinued.

The Board also decided that it will no longer require applicants to publish notifications of their applications in newspapers. Instead, the Board will provide notification of applications for natural gas export licences to persons who request to be included on a mailing list to be developed by the Board. As well, the Board will post information on its Internet web site and issue news releases with respect to each application received.

These changes are intended to streamline the Board's processing of natural gas export applications. The changes will allow applicants to file applications at a time of their choosing and when they are sufficiently complete. The level of scrutiny and analysis and adherence to the Board's Market-Based Procedure for examining applications will not change.

Canadian Energy and Supply Demand - 1998-2025 - Public Consultations

The Board has commenced preparation of a report to be entitled Canadian Energy Supply and Demand 1998-2025. This report, scheduled to be published in 1999, will provide an analysis of energy trends, issues and developments impact-

ing Canada over the next quarter century. As part of this process, the Board will conduct public consultations to obtain the views of interested parties. The focus of the consultations will be firstly, to obtain comments concerning the assumptions, emerging energy issues and scope of the report; and, secondly, to seek comments on the resulting analysis.

The first round of public consultations will take place in April 1998 in various cities across the country. The consultations will be conducted in an informal workshop setting which will allow for the exchange of information and views. The public consultations will be held in Calgary (April 8 and 9), Ottawa (April 15), Toronto (April 17), Montreal (April 20), Halifax (April 22), St. John's (April 24), Vancouver (April 28) and Regina (May 1).

On 13 March 1998, a consultation package was made available which comprises the Board's assumptions and issues to be discussed in these workshops. Alternatively, or in addition to the workshops, interested parties may wish to make written comments or submit papers on the consultation package. Written material is to be filed no later than 12 May 1998.

After considering the information from the first round of consultations the Board will conduct its analysis. A second round of consultations will focus on obtaining comments on the initial results and will take place towards the end of 1998, prior to finalizing the report.

Administrative Matters

Documents Issued - 1 January to 31 March 1998

Reasons for Decision

Various Gas Exports - GHW-2-97 - March 1998

Trans Québec & Maritimes Pipeline Inc. - PNGTS Extension
- GH-1-97 - April 1998

Report

Comprehensive Study Report - Trans Québec & Maritimes
Pipeline Inc. - PNGTS Extension - February 1998

Instructions for Filing

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 311 - Sixth Avenue S.W., Calgary, AB T2P 3H2; Telephone (403) 292-4800; Fax (403) 292-5503.

Appendix I lists the number of copies required for the different types of applications.

Telephone Numbers

Appendix II lists the telephone number of Board Members and key staff.

Internet Site

Internet users are invited to visit the Board's Internet home page at www.neb.gc.ca.

Board Document System (BDS)

The Board's BDS system is available to the public, offering direct access to an electronic library of regulatory documents. Document contents may be searched on-line with full-text search capabilities. Presently, the system contains Reasons for Decision dating from 1985 and hearing transcripts from 1991. Other document types will be added gradually, as they become available in standardized electronic format. The BDS may be used from remote locations or at the Board's Calgary office. The only cost to users will be long-distance telephone charges, if any, to connect to the system.

All users are asked to register with the Board and sign a public access agreement. This agreement explains the responsibilities of the user and outlines relevant terms and conditions. Request for a user account may be made by mail, facsimile or telephone at (403) 292-4800. For more information, a brochure on the Board Document System is also available.

Mailing Lists

If you are not already on the Board's mailing lists and wish to be added thereto, please write to the Secretary of the Board providing your mailing address and the type of material you would be interested in receiving. The following are the Board's current mailing lists:

- L1: Everything the Board issues
- L4: Oil and gas matters
- L5: Electrical matters
- L6: Annual Report only
- L7: News Releases only
- L8: Regulatory Agenda only
- L9: Environmental matters

National Energy Board
M. L. Mantha
Secretary

For copies of documents contact:
Publications Office
Tel: (403) 299-3562
Fax: (403) 292-5503
Email: orders@neb.gc.ca

For information contact:
Denis Tremblay
Tel: (403) 299-2717
Fax: (403) 292-5503
Email: denis.tremblay@neb.gc.ca

Appendix I

Number of Copies Required for Filings

Applicants are requested to provide the following number of copies of their applications or other filings to the National Energy Board. For matters not listed below, one copy is sufficient.

Type of Application or Filing	No. of Copies	Type of Application or Filing	No. of Copies
(a) Hearing Matters		(iii) Oil Exports	
(i) Certificates		Registered Oil Export Orders	05
Pipeline	25	(iv) Tolls	
Power Line	20	Class I and II Adjustments	20
(ii) Export Licences		Interim Orders	20
Natural Gas	25	Operating and Maintenance Budgets	20
Electricity	20	Changes in Depreciation Rates	20
(iii) Tolls	25	Quarterly Surveillance Reports	20
(iv) Land Acquisitions	20	New or Changed Tariffs	20
(b) Non-Hearing Matters		Domestic Gas Sales Contracts and Amendments	20
(i) Natural Gas		Amendments to Tariff Orders	20
Export Orders	20	(v) Pipelines and Power Lines	
Orders for Transmission Access	20	Permits	15
Licence Amendments	20	Exemption Orders Pipelines (Sec. 58)	20
Amendments to Export Contracts	20	Certificate Amendments	20
Licence Revocations	20	Leave to Sell or Transfer	20
(ii) Electricity Exports		Incident Reports	20
Permits	15	(vi) Other	
Licence or Permit Amendments	15	Application for Review	20
Licence or Permit Revocations	15		

The number of copies of interventions or submissions to be provided in response to applications will be specified in the applicable hearing order. Private individuals who would find the provision of multiple copies an undue financial burden may file one copy, with a request to be excused from multiple filing.

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 311 - Sixth Avenue S.W., Calgary, Alberta, T2P 3H2: Telephone (403) 292-4800; Fax (403) 292-5503.

Appendix II

Selected List of Telephone Numbers

(Area Code 403)

General Information	292-4800
Incident Reporting Number	1-800-632-1663
	1-800-NEB-1-ONE
Publication Office	Tel: 299-3562
	Fax: 292-5503
	Email: orders @neb.gc.ca
Web Site	www.neb.gc.ca

Board Members

Acting Chairman	Kenneth Vollman	299-2730
Assistant	Carmen Morin	299-2725
Vice Chairman	Kenneth Vollman	299-2730
Assistant	Carmen Morin	299-2725
Member	Anita Côté-Verhaaf	299-2739
Assistant	Carmen Morin	299-2725
Member	Judith Snider	299-2737
Assistant	Louise Niro	299-2734
Member	Diana Valiela	299-2729
Assistant	Caroline Healy	299-2728
Member	Rowland J. Harrison	299-2736
Assistant	Louise Niro	299-2734
Temporary Member ^(a)	Gaétan Caron	299-2700
Admin. Assistant	Jan Dane	299-2701
Temporary Member ^(b)	Cecil Ozirny	299-2740
Assistant	Caroline Healy	299-2728

(a) Temporary member appointed on 4 September 1997 for a period of 24 months.

(b) Temporary member appointed on 28 October 1997 for a period of nine months.

Executive Director

Executive Director	Gaétan Caron	299-2700
Admin. Assistant	Jan Dane	299-2701

Professional Leaders

Environment	Ken Sato	299-3675
Energy Resources	Vacant	
Engineer	Vacant	
Economics	Glenn Booth	299-3621

Legal Services

General Counsel and Director	Judith Hanebury	292-6497
Counsel	Peter Noonan	299-3552
Legal Assistant	Susan Gudgeon	299-2704
Counsel	Margery Fowke	299-2708
Counsel	Claire McKinnon	299-2707
Counsel	Peter Enderwick	292-4104
Legal Assistant	Corina Smith	299-3551
Counsel	Lori Ann Boychuk	292-2709
Counsel	Christine Beauchemin	292-6489
Counsel	Gino Grondin	292-6495
Legal Assistant	Patricia Rouleau	292-6540

Information Management Business Unit

Business Unit Leader	Scott Richardson	299-2711
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Secretary and Team Leader

Regulatory Operations	Michel Mantha	299-2714
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Technical Project Manager, Electronic

Regulatory Filing	Neil Levette	299-3613
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Communications

A/Team Leader	Ann Boiteau	299-2713
Communications Officer	Denis Tremblay	299-2717
Communications Officer	Ross Hicks	299-3930
Communications Officer	Ruth Grenville	299-2719
Reception		292-4800

Library

Team Leader	Shawn Aitken	299-3932
Library, Information		299-3561

Applications Business Unit

Business Unit Leader	Brenda Kenny	299-3565
<i>TransCanada PipeLines Limited and Trans Québec & Maritimes Pipeline Inc.</i>		
Team Leader	Steve Brown	299-3653
<i>Westcoast Energy Inc. and Trans Mountain Pipe Line Company Ltd.</i>		
Team Leader	Hans Pols	299-3189

Interprovincial Pipe Line Inc., Trans-Northern Pipelines Inc. and Express Pipeline Ltd.

Team Leader Christine van Egmond 299-2783

Alberta Natural Gas Company Ltd, Foothills Pipe Lines Ltd. and Alliance Pipeline Ltd.

Team Leader Jim Fox 299-3628

Cochin Pipe Lines Ltd., Part VI and Natural Gas Liquids

Team Leader Gurdeep Gill 299-3659

Commodities Business Unit

Business Unit Leader Terrance Rochefort 299-3646

Commodity Convergence

Team Leader Jawed Aziz 299-3630

Gas

Team Leader Bill Bingham 299-3198

Oil

Team Leader Barry Lynch 299-3197

Electricity

Team Leader Julian Emanuel 299-3186

Resource Assessment

Team Leader Jim Davidson 299-3135

Operations Business Unit

Business Unit Leader John McCarthy 299-2766

Health, Safety and Environment

Team Leader Wayne Marshall 299-3901

Frontier

Team Leader Terry Baker 299-2792

Regulatory Development

Team Leader Bharat Dixit 299-3903

Pipeline Accident Investigation

Team Leader Paul Trudel 299-2768

Corporate Services Business Unit

Business Unit Leader Sylvia Farrant 299-2703

Assistant Sylvie Joannis 292-4056

Human Resources 299-4056

Appendix III

Section 58 Applications

The Board has approved or is considering several applications under section 58 of the NEB Act involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. These matters may be considered by the Board without a public hearing.

Gas Pipelines

Applicants	File/Order Nos.	Application	Est. Cost
Alberta Natural Gas Company Ltd	File: 3400-A2-22; Order: XG-A2-14-98	Application dated 27 November 1997; approved on 18 March 1998. Project 98-466-46 - Asbestos removal. Project 98-462-88 - Halon replacement program - Phases 1 - 4. Project 98-466-59 - Fuel valve and stepper motor upgrade. Project 98-466-90 - UPS batteries replacement.	453 000
AEC West	File: 3400-A156-2 Decision Pending	Application dated 22 December 1997. Construct 4.3 kilometres of sour gas line and fuel gas line from British Columbia to Alberta.	980 000
Chauvco Resources Ltd.	File: 3400-C365-1 Order: XG-365-6-98	Application dated: 16 October 1997; Approved on 26 February 1998. 1) change the substance within an existing pipeline from wet natural gas to dry natural gas; 2) construct natural gas pipeline; and 3) construct a natural gas liquids pipeline.	4 100 000
Forty Mile Gas Co-op Ltd.	File: 3400-F73-1 Order: XG-F73-4-98	Application dated 25 July 1997; approved on 24 February 1998. Extend a low pressure natural gas distribution system by installing approximately 450 metres of 25 millimetre polyethylene pipe to serve three buildings at the U.S. Customs, Wildhorse, Montana.	8 100
TransCanada PipeLines Limited	File: 3400-T1-146 Decision Pending	Application dated 23 December 1997. Thirty five projects. Modifications and additions to compressor and meter stations and development and implementation of on-line technologies.	18 376 000
Westcoast Energy Inc.	File: 3400-W5-183 Order: XG-W5-1-98	Application dated 24 October 1997; approved on 30 January 1998. Project P6323: Add casing and fill. Project P6335: Waste handling & drying pad installation. Project P6356: Install new SCADA system at Sikanni Gas Plant. Project P6361: Ground bed Mobil Sierra replacement. Project P6407: Ground bed and power on Shekilei pipeline.	644 000
	File: 3400-W5-186 Order: XO-W5-5-98	Application dated 15 December 1997; approved on 12 February 1998. Project TS003: Portable blowdown scrubber.	100 000
	File: 3400-W5-192 Order: XG-W5-7-98	Application dated 20 January 1998; approved on 19 February 1998. Project P6337: Install six producer taps in the Fort Nelson Raw Gas Transmission System.	250 000
	File: 3400-W5-183 Order: XO-W5-8-98	Application dated 24 October 1997; approved on 24 February 1998. Fort Nelson Gas Plant Project P4649: Relocate and upgrade the effluent plant laboratory. Project P4913: Install smoke detectors.	334 000

Gas Pipelines

Applicants	File/Order Nos.	Application	Est. Cost
		<p>Project P5223: Refit brine pit and modify controls.</p> <p>Project P6354: Install pressure transmitters on the acid gas line condensers.</p> <p>Project P6345: Install two stack igniters at the 20 inch Pointed Mountain sending and receiving barrels.</p>	
	File: 3400-W5-194. Order: XG-W5-9-98	<p>Application dated 6 February 1998; approved on 13 March 1998.</p> <p>Project TC01 - Provision for Fort St. John producer taps.</p> <p>Project MCM-18-a - McMahon Gas Plant - Add densometer to combined field pig loop.</p> <p>Project MCM - McMahon Gas Plant - Install control system link.</p>	556 000
	File: 3400-W5-188. Order: XG-W5-10-98	<p>Application dated 16 December 1997; approved on 6 March 1998.</p> <p>Project 5754 - Install electronic flow measurement and communications equipment the following three receipt points in the Fort Nelson raw gas transmission system: RP 433 North Helmut Leg; RP 36 East Helmut Leg; and RP 498 Helmut Peggo Compressor.</p>	100 000
	File: 3400-W5-186; Order: XG-W5-11-98	<p>Application dated 15 December 1997; approved on 19 March 1998.</p> <p>Project TS006 - Replace the W92 Unit at Station 8A with a refurbished Spey gas turbine driver.</p>	6 657 000
	File: 3400-W5-189. Order XG-W5-13-98	<p>Application dated 22 December 1997; approved on 12 March 1998.</p> <p>Project CR-01 - Install a propane powered thermal electric generator and a ground bed system for the cathodic protection of the Silver Dahl, Umbach, Dahl and Silver pipelines.</p>	28 000
	File: 3400-W5-191. Order XG-W5-15-98	<p>Application dated 20 January 1998; approved on 26 March 1998.</p> <p>Project TN001 - Monitor and replace 30 and 26 inch pipe at Tributary and Bougie Creek.</p> <p>Project TN004 - Replace 30 inch Fort Nelson Mainline at Jackfish Creek.</p>	6 350 000
	File: 3400-W5-183 Order: XG-W5-16-98	<p>Application dated 24 October 1997; approved on 13 March 1998.</p> <p>Project P4826 - Install or expand Westcoast's digital microwave system at the following locations: Radar Hill, Cabin Lake, Mobil Sahtaneh, Pesh, Compressor Station N-2 and Hossitl.</p>	1 300 000
	File: 3400-W5-189 Order: XG-W5-20-98	<p>Application dated 22 December 1997; approved on 27 March 1998.</p> <p>Six project in the Fort St. John Field Service area.</p>	736 000
	File: 3400-W5-186 Order: XG-W5-22-98	<p>Application dated 15 December 1997; approved on 30 March 1998.</p> <p>Eight projects in the Transmission North, Central and South areas.</p>	3 491 000
	File: 3400-W5-190 Order: XG-W5-23-98	<p>Application dated 8 January 1998; approved on 30 March 1998.</p> <p>Eight project in the Grizzly Valley Field Services area.</p>	1 987 000
Total Gas Pipelines			28 074 100

Oil Pipelines

Applicants	File/Order Nos.	Application	Est. Cost
Interprovincial Pipe Line Inc.	File: 3400-J1-93 Order: XO-J1-1-98	Application dated 24 October 1997; approved on 5 February 1998. Install facilities for the re-allocation of tanks at the Edmonton Terminal.	645 000
	File: 3400-J1-94 Order: XO-J1-6-98	Application dated 1 December 1997; approved on 11 February 1998. Project 19981147D003: South Saskatchewan Pipe Line connection at Regina to install meters and associated piping facilities at the Regina Terminal.	778 500
	File: 3400-J1-94 Order: XG-J1-7-98	Application dated 1 December 1997; approved on 30 March 1998 Ten projects.	831 900
	File: 3400-J1-94; Order: XO-J1-10-98	Application dated 1 December 1997; approved on 11 March 1998. Project: 19981142A001 - construct three sending and three receiving scraper traps for use on 48 inch loops upstream of the Herschel, Glenavon and Glenboro stations.	4 250 000
Interprovincial Pipe Line (NW) Ltd.	File: 3400-J34-22 Order: XO-J34-8-98	Application dated 15 January 1998; approved on 19 February 1998. Project: 19981370E001: Replace cathodic protection rectifier. Project: 19981370E002: Replace uninterruptible power supply - Zama Terminal.	86 000
ISH Energy Ltd.	File: 3400-J38-2 Order: XO-J38-11-98	Application dated 3 February 1998; approved on 23 March 1998. Construct a side tap and valve assembly on the Desan Pipeline.	54 000
Trans Mountain Pipe Line Company Ltd.	File: 3400-T4-53 Order: XO-T4-4-98	Application dated 29 October 1997; approved on 19 February 1998. Thirty projects.	7 415 000
	File: 3400-T4-47 Order: XO-T4-5-98	Application dated 18 October 1997; approved on 2 February 1998. Grant an extension of the authorization pursuant to Orders XO-T4-5-97 and XO-T4-36-96 to proceed with projects that were not commenced by 31 December 1997. Project: 7113 Mainline valve box covers. Project 7120: Replace drain line at Edmonton Terminal. Project 7132: Petro-Canada take off upgrade at Kamloops Station. Project 7165: Tank gauge pole seals at Sumas Tank Farm. Project 7168: Tank gauge pole seals at Burnaby Terminal. Project 7173: Remote access real time systems at head office.	673 800
	File: 3400-T4-56 Order: XO-T4-9-98	Application dated 16 February 1998. Approved on 4 March 1998. Restorative work at the submerged crossing of the Fraser River between kilometre 1135 and 1136 of the pipeline system.	2 000 000
Westspur Pipeline Company Inc.	File: 3400-W2-21 Order: XO-W2-2-98	Application dated 8 December 1997; approved on 23 January 1998. Construct a 9.4 kilometre pipeline from Manitoba to Saskatchewan.	608 000
Total Oil Pipelines			17 343 100
Total Gas and Oil Pipelines			45 417 200

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament. Over the course of its history, it has played an important role in the development of Canada's energy sector.

The Board's regulatory powers under the *National Energy Board Act* include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and designated interprovincial and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment, and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by the Ministry of Labour to administer Part II of the Canada Labour Code.

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Regulatory Agenda

The period covered in this Regulatory Agenda is 1 April to 30 June 1998

Applications Considered by Public Hearing

Public Hearings

Recent Hearing Decisions

1. Northstar Energy Corporation (NEC) - Natural Gas Pipeline - GH-1-98

Reasons for Decision dated May 1998; issued on 26 May 1998.

(Refer to item 2 under *Appeals and Reviews*, *Appeals*, *Appeals pending*)

The Board approved the construction of 7.2 kilometres (4.5 miles) of pipeline from its Coleman Gas Plant, located west of Coleman in Savanna, Alberta, through the Phillips Pass, to connect to the Alberta Natural Gas Company Ltd. main

transmission pipeline west of the Alberta/British Columbia border. The initial contracted capacity for the pipeline is anticipated to be 1.04 million cubic metres (37 million cubic feet) of natural gas per day. The estimated capital cost of the project is \$6.467 million and is anticipated to be in-service in October 1998.

The Board considered the application at a public hearing held from 30 March to 6 April 1998 (five days) in Calgary.

2. Interprovincial Pipe Line Inc. (IPL) - Oil Pipeline - OH-1-98

Reasons for Decision dated June 1998; issued on 9 June 1998.

The Board approved the construction of 15 new sections of pipe to connect to existing loop sections to create a fifth

WE ARE MOVING!

Effective 17 August 1998, our new address will be:

444 Seventh Avenue S.W.
Calgary, Alberta T2P 0X8

Note that all telephone numbers will remain the same

NOTICE

Note that monthly updates of this *Regulatory Agenda* are made available on the Internet. The Board will continue to issue hard copies of the quarterly *Regulatory Agenda* for those persons who do not have access to the Internet.

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PREFACE

The purpose of this quarterly agenda is to provide information on the Board's activities.

Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the National Energy Board Act, R.S.C. 1985, c.N-7, as amended.

"Our purpose is to make decisions that are fair, objective and respected."



pipeline between Kerrobert, Saskatchewan and Gretna, Manitoba. This project comprises the first phase of the Terrace Expansion Project.

The applied-for facilities include approximately 619 kilometres (385 miles) of pipeline, 19 pumping unit additions, 15 tie-in facilities and related station facility equipment. Approximately 373 kilometres (232 miles) of pipeline will be constructed within existing IPL easements while approximately 246 kilometres (153 miles) will be constructed on new easements to be acquired adjacent to existing IPL easements. The applied-for facilities will increase throughput capability of the existing IPL system by approximately 27 000 cubic metres (170 000 barrels) per day. The pipeline will be used primarily to satisfy export markets. The estimated capital cost of the proposed facilities is \$610 million with a planned in-service date of 31 January 1999 for the new line pipe and 1 September 1999 for the pumping facilities.

With respect to toll matters, the Board approved a tolling agreement between IPL and its shippers in accordance with the Board's 1994 *Guidelines for Negotiated Settlements of Traffic, Tolls and Tariffs*.

The Board considered the application at a public hearing held on 15 and 16 April 1998 in Calgary.

Hearing Decisions Pending

1. Souris Valley Pipeline Limited (SVPL) - Carbon Dioxide Pipeline - MH-1-98

The Board held a public hearing on 4 May 1998 in Regina on an application by SVPL to construct a carbon dioxide transmission pipeline in southeastern Saskatchewan.

SVPL applied to construct approximately 61 kilometres (38 miles) of pipeline extending from a point at the international boundary approximately 25 kilometres (16 miles) southwest of Estevan, Saskatchewan to a terminus approximately 3.2 kilometres (two miles) northeast of Goodwater, Saskatchewan. The pipeline will be used to transport carbon dioxide from the proposed Dakota Gasification Company Pipeline Project in North Dakota to the existing Weyburn oil field.

SVPL has signed an agreement with PanCanadian Petroleum Limited to provide 2.6 million cubic metres (95 million cubic feet) of carbon dioxide per day to the Weyburn oil field near Goodwater, commencing December 1999. The carbon dioxide will be used for implementation of the Weyburn Miscible Flood Project, a separate downstream project expected to extend the life of the existing oilfield by 25 years. The estimated capital cost of the project is \$13.67 million with a planned in-service date of December 1999.

2. Alliance Pipeline Ltd. (Alliance) - Natural Gas Pipeline - GH-3-97

The Board held a public hearing between 6 January and 21 May 1998 (77 days) to consider an application by Alliance to (i) construct the Canadian portion of a proposed natural gas pipeline system from northeastern British Columbia and northwestern Alberta to the midwest United States and (ii) related toll and tariff authorizations. The hearing was also used as a forum for public participation in the comprehensive study of the project being conducted under the *Canadian Environmental Assessment Act*. While Calgary was the primary location for the hearing, there were sessions held in Fort St. John, British Columbia, Edmonton, Alberta and Regina, Saskatchewan to facilitate regional participation.

In November 1997, the Board held a six day pre-hearing conference to consider a number of preliminary motions which had been filed in relation to the application.

The Canadian portion of the Alliance Pipeline Project would consist of (i) approximately 1 565 kilometres (970 miles) of mainline and related facilities from a point near Gordondale, Alberta to a point on the Canada/U.S. border near Elmore, Saskatchewan and (ii) approximately 770 kilometres (480 miles) of lateral pipelines and related facilities in British Columbia and Alberta. The U.S. portion of the mainline, to be constructed by Alliance Pipeline L.P., would extend approximately 1 430 kilometres (890 miles) to the system's terminus near Chicago, Illinois. The system would be capable of delivering 37.5 million cubic metres (1.325 billion cubic feet) of natural gas per day.

The estimated cost of the Canadian portion of the project is \$1.9 billion. The project is proposed to be in service in the second half of the year 2000.

3. AEC Suffield Gas Pipeline Inc. (AEC Suffield) - Natural Gas Pipeline - GH-2-98

The Board held a public hearing from 25 May to 1 June 1998 (3 days) in Calgary on an application by AEC Suffield to construct a natural gas pipeline from southeastern Alberta to southwestern Saskatchewan.

AEC Suffield applied to construct approximately 114 kilometres (71 miles) of pipeline and associated control facilities which will begin near the southwestern corner of the Suffield Military Block in Alberta, extend along the southern end of the military block and then northeast to join the TransCanada PipeLines Limited system near Burstall, Saskatchewan. The AEC Suffield pipeline will have a design capacity of approximately 5.67 million cubic metres (200 million cubic feet) of natural gas per day. The estimated capital cost of the project is \$26.2 million with a planned in-service date of 1 November 1998.

Hearing in Progress

1. *Renaissance Energy Ltd. (Renaissance) - TransCanada Gas Services ("TCGS") - Natural Gas Export Licences - GHW-1-98*

The Board is holding a written public hearing on applications from Renaissance and TCGS to export natural gas for a period of 10 years commencing on 1 November 1998.

Renaissance applied for a licence to export, from Niagara Falls, Ontario, natural gas to Renaissance Energy (U.S.) Inc. to supply existing and new markets in the U.S. Northeast and Mid-Atlantic. The volumes proposed to be exported are: Daily - 663 000 cubic metres (23.4 million cubic feet); Annually - 242.0 million cubic metres (8.5 billion cubic feet); Term - 2 421.0 million cubic metres (85.5 billion cubic feet). Renaissance will supply the natural gas from its own corporate supply pool within the province of Alberta.

TCGS applied for a licence to export, from East Hereford, Quebec, natural gas to TransCanada Gas Services Inc. to supply markets in New England which consist of local distribution companies, industrials and power generators. The volumes proposed to be exported are: Daily - 845 220 cubic metres (30.0 million cubic feet); Annually - 309.4 million cubic metres (11.0 billion cubic feet);

Term - 3 085.1 million cubic metres (109.5 billion cubic feet). The natural gas would be purchased from Signalta Resources Limited's supply within the province of Alberta.

Hearings Scheduled

1. *Trans Québec & Maritimes Pipeline Inc. (TQM) - Detailed Route - PNGTS Extension - MH-2-98*

The Board will hold public hearings on written statements of opposition it has received to the proposed detailed route of TQM extension to the Portland Natural Gas Transmission System (PNGTS Extension) in the United States. The PNGTS Extension consists of the construction of a natural gas pipeline and associated facilities from Lachenaie, Quebec to the Canada/U.S. border near East Hereford, Quebec.

The public hearings will commence on 22 July 1998 in Magog/Orford, Quebec.

In April 1998, the Board approved the general route for the PNGTS Expansion following a public hearing held in November and December 1997. In April 1998, TQM applied to the Board for approval of the Plans, Profiles and Books of Reference (PPBoR) respecting the detailed route for the PNGTS Extension. The Board has received 30 written statements of opposition to the PPBoR.

2. *Maritimes & Northeast Pipeline Management Ltd.'s (M&NP) - Detailed Route - Pipeline Project in the Maritimes - MH-3-98*

The Board will hold public hearings on written statements of opposition it has received to the proposed detailed route of M&NP natural gas pipeline from Goldboro, Nova Scotia to St. Stephen, New Brunswick.

The public hearings will commence on 23 July 1998 in Fredericton, New Brunswick, on 28 July 1998 in Moncton, New Brunswick, and on 4 August 1998 in New Glasgow, Nova Scotia.

In December 1997, the Board approved the general route for the M&NP pipeline following a public hearing held from 4 April to 16 July 1997 in Nova Scotia and New Brunswick. In February 1998, M&NP applied to the Board for approval of the Plans, Profiles and Books of Reference ("PPBoR") respecting the detailed route for the maritime pipeline. The Board has received to date 35 written statements of opposition to the PPBoR.

Hearings Postponed

1. *Mr. Robert A. Milne, 3336101 Ontario Limited, c.o.b. as Milne Crushing & Screening - MH-1-97*

For more information on this matter, refer to item 1 under *Hearings Postponed* in issue No. 62 of the *Regulatory Agenda* dated 1 October 1997.

2. *TransCanada PipeLines Limited - Contract Renewal Rights and Expansion Policy Requirements - RH-3-97*

For more information on this matter, refer to item 2 under *Hearings Postponed* in issue No. 62 of the *Regulatory Agenda* dated 1 October 1997.

Hearing Applications Withdrawn

1. *PanCanadian Petroleum Limited (PanCanadian) - Ottawa Incremental Service Lateral - GHW-1-95*

On 9 April 1998, PanCanadian withdrew its application dated 26 November 1993 for an Ottawa Incremental Service Lateral. On 26 June 1995, at the request of PanCanadian, the Board adjourned *sine die* the written hearing it was conducting on the application.

PanCanadian had sought approval to construct a natural gas pipeline under the Ottawa River. The proposed pipeline would have consisted of approximately 14.5 kilometres (8.7 miles) of pipeline running from TransCanada PipeLines Limited's Ottawa sales gate meter station in Gloucester, Ontario to the Avenor newsprint mill in Gatineau, Quebec.

The pipeline was intended to transport 900 000 cubic metres (32 million cubic feet) per day of natural gas to a cogeneration facility proposed to be constructed on the Avenor site. The estimated cost of the facilities was \$8.4 million.

2. TransCanada PipeLines Limited (TCPL) - TransVoyageur Transmission Limited (TransVoyageur) - TransVoyageur Natural Gas Pipeline Project

On 1 May 1998, TransVoyageur, by its parent corporation TCPL, withdrew its request for scoping and an environmental assessment regarding TransVoyageur's preliminary submission. TCPL explained, that TransVoyageur and TCPL's plans have changed, such that neither intends to file the associated application for approval to construct natural gas pipeline facilities at this time.

On 11 August 1997, TCPL filed a Notice of Intention to File and Request for Initiation of the Scoping Process for an Environmental Assessment in which it requested that the Board, along with the Canadian Environmental Assessment Agency, initiate an environmental scoping process for its proposed natural gas pipeline project.

At the time, TCPL, on behalf of TransVoyageur, advised the Board that TransVoyageur intended to file an application to construct a 1 000-kilometre (620-mile) pipeline from Empress, Alberta to a point near Emerson, Manitoba. The TransVoyageur system would have paralleled TCPL's system from Empress to a point near either Brandon or Portage La Prairie, Manitoba. The Company was looking at two possible corridors for the pipeline, one of which was expected to trigger a Comprehensive Study under the Canadian Environmental Assessment Act.

The TransVoyageur system, as proposed, would have had an initial capacity of 57 million cubic metres (2.0 billion cubic feet) per day and the planned in-service date was 1 November 1999.

Hearing Applications

Hearing Application Suspended

1. Crowsnest Pipeline Project (CNP) - Natural Gas Pipeline

For more information on this matter, refer to item 1 under *Hearing Applications, Hearing Application Suspended* of issue No. 63 of the *Regulatory Agenda* dated 1 January 1998.

Hearing Applications Filed

1. North Atlantic Pipeline Inc. (North Atlantic) - Underwater Natural Gas Pipeline

For more information on this matter, refer to item 1 under *Hearing Applications, Hearing Applications Filed* of issue No. 64 of the *Regulatory Agenda* dated 1 April 1998.

2. Maritimes & Northeast Pipeline Management Ltd. (M&NP) - Halifax and Saint John Pipeline Laterals

On 5 June 1998, M&NP, on behalf of Maritimes & Northeast Pipeline Limited Partnership, filed applications for approval to construct natural gas pipeline laterals to Halifax, Nova Scotia and Saint John, New Brunswick.

For the Halifax lateral, M&NP applied to construct 121 kilometres (75 miles) of 323.9 millimetre (12 inch) outside diameter pipeline and associated facilities from its mainline near Stellarton, Nova Scotia to Nova Scotia Power's Tufts Cove generation station. The current volume of natural gas requested for transportation on the proposed lateral is approximately 1.7 million cubic metres (60.0 million cubic feet) per day. The estimated capital costs of the project is \$74 million and the proposed in-service date is 1 November 1999.

For the Saint John lateral, M&NP applied to construct approximately 102 kilometres (63 miles) of 406.4 millimetre (16 inch) outside diameter pipeline and associated facilities from its mainline near Big Kedron Lake, New Brunswick to the city of Saint John. M&NP also proposes to construct approximately 8 kilometres (5 miles) of 168.3 millimetre (6 inch) outside diameter pipeline and associated facilities from a point on the lateral to the Lake Utopia area. The current volume of natural gas requested for transportation on the lateral is approximately 3.7 million cubic metres (130.6 million cubic feet) per day. The estimated capital costs of the project is \$91 million and the proposed in-service date is 1 November 1999.

M&NP expects that large industrial and core market demand for natural gas will grow once distribution franchises contemplated by the provinces of Nova Scotia and New Brunswick are in place.

3. TransCanada PipeLines Limited (TCPL) - 1999 Facilities

On 29 April 1998, TCPL filed an application for approval to construct new pipeline and compression facilities on its mainline transmission system in 1999.

TCPL applied to construct approximately 560 kilometres (348 miles) of new pipeline loop and add four compressor units and associated facilities. The applied-for facilities would be used to provide an increase of approximately 7.75 million cubic metres (275 million cubic feet) per day of

incremental firm gas service to customers in eastern Canada and the U.S. midwest and northeast by 1 November 1999. The estimated capital cost of the facilities at \$984 million.

On 5 June 1998, the Board advised TCPL that it found the application to be deficient with respect to the Board's *Guidelines for Filing Requirements* and/or TCPL's *Queuing Procedure* as approved by the Board. The Board decided that prior to setting the application down for public hearing, it requires that TCPL either remedy these deficiencies or request appropriate relief with supporting justification.

Hearing Application to be Filed

1. *St. Clair Pipelines (1996) Ltd. (St. Clair) - TransCanada PipeLines Limited (TCPL) - Pipeline Projects in Ontario*

The Board has initiated the scoping of the environmental assessment that will be required under the *Canadian Environmental Assessment Act* in respect of two proposed natural gas pipeline project applications by St. Clair and TCPL in southern Ontario.

The Board has requested comments from the public on a draft scope of environmental assessment for the projects. The draft scope has been developed in consultation with other federal departments and agencies.

The scoping exercise is intended to provide a framework for the environmental assessment of the two projects and involves a determination of the scope of them, the factors to be assessed and the scope of those factors.

On 23 and 26 September 1997, TCPL and St. Clair, respectively, filed *Notices of Intention to File and Request for Initiation of the Scoping Process for an Environmental Assessment* in which they requested that the Board, along with the Canadian Environmental Assessment Agency, initiate an environmental scoping process for their proposals.

St. Clair advised the Board that it intends to file an application to construct an 85 kilometre (52.7-mile) natural gas pipeline from the Union Gas Limited Dawn Compressor Station near Sarnia, Ontario to the shore of Lake Erie, near Port Stanley, Ontario. Referred to as the "Dawn to Lake Erie Pipeline", the pipeline will connect with the proposed Lake Erie crossing to be constructed and operated by TransCanada PipeLines Limited, which will in turn connect with the proposed Millennium Pipeline Project at the Canada/U.S. border in Lake Erie.

TCPL advised the Board that it intends to file an application to construct a 135-kilometre (83.7-mile) natural gas pipeline across Lake Erie from the Canadian shoreline near Port Stanley, Ontario to the U.S. shore near North East, Pennsylvania. The Lake Erie crossing will be connected to the 85-kilometre pipeline to be built by St. Clair.

Other Applications

The Board had, or has, before it a number of applications and other matters that do not require public hearings. Since the 1 April 1998 issue of the *Regulatory Agenda*, the matters below have been or are being considered by the Board.

Natural Gas Matters

Matters Completed

1. *Canadian Hunter Exploration Ltd. (CHEL) and San Diego & Electric Company (SDG&E) - Revoke Natural Gas Export Licence GL-207*

On 22 April 1998, the Board approved a joint application dated 7 April 1998 from CHEL and SDG&E to revoke natural gas export Licence GL-207. Because of certain U.S. Federal Court and California Court decisions, the joint applicants decided that they no longer require the Licence. Licence GL-207 authorized the export to SDG&E to serve its markets in San Diego and Orange Counties in southern California.

2. *Crestar Energy Marketing Corp. (CEMC) and Northern States Power Company (NSP) - Contract Amendments - Natural Gas Export Licences GL-108 and GL-257*

On 27 May 1998, the Board approved applications dated 24 April 1994 from Crestar for approval of the following:

- a Letter Agreement dated 22 October 1997 between CEMC and NSP to amend the pricing provision, effective 1 November 1997, of the Gas Purchase Contract dated 4 August 1992 underpinning natural gas exports under Licence GL-108; under the Licence, CEMC exports 422 500 cubic metres (15.0 million cubic feet) of natural gas per day to NSP; and,
- a Letter Agreement dated 22 October 1997 between CEMC and NSP to amend the pricing provision, effective 1 November 1997, of the Gas Purchase Contract dated 14 October 1994 underpinning natural gas exports under Licence GL-257; under the Licence, CEMC exports 179 800 cubic metres (6.3 million cubic feet) of natural gas per day to NSP.

3. *New England Power Company (NEP) and Sceptre Resources Limited (Sceptre); NEP and Canadian Natural Resources ("CNR"); NEP and Renaissance Energy Ltd. (Renaissance) - Contract Amendments and Confidentiality of Pricing Provisions*

On 24 April 1998, the Board approved applications dated 16 December 1997 and 6 January 1998 from the above-noted companies for approval of the following agreements underpinning natural gas exports under Licence GL-160:

- NEP and Sceptre - Amended and Restated Natural Gas Purchase Agreement dated 1 November 1994;
- NEP and CNR - Second Amended and Restated Natural Gas Purchase Agreement dated 1 November 1997; and,
- NEP and Renaissance - Amended and Restated Natural Gas Purchase Agreement dated 1 November 1995.

Licence GL-160 authorizes NEP to export natural gas to its facilities in Massachusetts and Rhode Island.

4. *Talisman Energy Inc. (Talisman) - Revoke Natural Gas Export Licences GL-196 and GL-206*

On 25 June 1998, the Board approved applications dated 28 May 1998 from Talisman to revoke natural gas export Licences GL-196 and GL-206. Licence GL-196 authorized Talisman to export natural gas to Tenaska Washington Partners L.P. to fuel a cogeneration facility to be constructed near Ferndale, Washington. Licence GL-206 authorized Talisman (originally Bow Valley Industries) to export natural gas to San Diego Gas & Electric Company to serve its customers in the State of California and to produce electricity.

Matter Under Consideration

5. *Engage Energy Canada, L.P. (Engage) - Transfer of Several Gas Export Licences*

On 7 May 1997, Engage applied for approval to transfer Licences GL-187, GL-221, GL-222, GL-223, GL-224, GL-225, GL-226 and GL-227 from Westcoast Gas Services Inc. to Engage Energy Canada, L.P.

On 4 March 1998, Engage requested to extend the time necessary to complete certain third party Consents to Assignment supporting the application. On 11 March 1998, the Board confirmed that it will hold Engage's application in abeyance.

Electricity Matters

Matters Under Consideration

1. *British Columbia Power Exchange Corporation (Powerex) - Electricity Export Permits*

On 3 February 1998, Powerex applied for four permits to export electricity for a period of 20 years. Powerex seeks authorization to export from over all international power lines between Canada and the United States. The annual quantities of firm energy to be exported would not exceed 15 000 gigawatt hours for British Columbia export points and 20 000 gigawatt hours for other export points. The annual quantities of interruptible energy, less any firm exports actually made, to be exported would not exceed 27 000 gigawatt hours for British Columbia export points and 40 000 gigawatt hours for other Canadian export points.

These new permits would replace permits EPE-41, EPE-42, EPE-43 and EPE-44 which are held jointly with B.C. Hydro and Power Authority. Powerex advised the Board that it expects B.C. Hydro to make a separate application soon for permits for its own export-related activities.

2. *Citizens Power Sales (CPS) - Electricity Exports*

On 1 May 1998, CPS applied for an electricity permit to export up to 500 megawatts of power and up to 2 592 gigawatt hours annually of either firm or interruptible energy to the United States, for a period of ten years.

3. *Nova Scotia Power Inc. (NS Power) - Electricity Exports*

On 16 April 1998, NS Power applied for an electricity permit to export up to 1 000 megawatts of power and up to 1 200 gigawatt hours annually of either firm or interruptible energy to the United States for a period of ten years.

4. *Ontario Hydro - Amend Export Permit EPE-21*

On 25 July 1995, Ontario Hydro applied for approval to amend Export Permit EPE-21 by deleting certain conditions from the permit in order to allow it to respond in a more timely way to potential business opportunities with any customer whether directly linked to its power system or not.

Permit EPE-21 authorizes Ontario Hydro to export interruptible energy of up to 20 000 gigawatt hours per consecutive twelve-month periods less actual exports under Permit EPE-23 for the period 1 July 1991 to 30 June 2006.

On 25 August 1995 and 3 November 1997, the Board sent letters to Ontario Hydro regarding the application.

Pipeline Matters

Matters Completed

1. *Safety Audit Reports*

The Board has adopted the Safety Management Audit to Verify Compliance with respect to the *Onshore Pipeline Regulations* and the *Pipeline Crossing Regulations* for the following companies:

Company	Date of Report
Westcoast Energy Inc. (McMahon Gas Processing Plant)	9 April 1998
Westcoast Energy Inc. (Sikanni Gas Processing Plant)	9 April 1998

2. *Husky Oil Operations Ltd. (Husky) and CIC Industrial Interests Inc. (CIC) - Sale and Purchase of a Pipeline*

On 2 April 1998, the Board approved a joint application dated 19 February 1998 from Husky and CIC authorizing CIC to sell its interests in the Husky Border Pipeline System to Husky and, for Husky to purchase CIC's interests in the pipeline.

Husky and CIC are in a joint venture and each own 50 per cent interests in the Bi-Provincial Upgrader, including the pipeline, in Lloydminster, Saskatchewan. The Bi-Provincial Upgrader processes heavy crude oil into synthetic crude oil and is located approximately three kilometres southeast of Lloydminster. The pipeline in question runs approximately 10.4 kilometres (6.5 miles) between the Upgrader and the terminal of the Husky refinery in Lloydminster.

3. *Section 58 Applications*

The Board has approved or is considering several applications under section 58 of the NEB Act involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. These matters may be considered by the Board without a public hearing. See Appendix III for a description of the applications approved or under consideration.

Matters Under Consideration

4. *AEC West, a business unit of AEC Oil and Gas Partnership as Agent for Alberta Energy Company Ltd. (AEC West) - Pipeline Construction*

On 22 December 1997, AEC West applied for approval to construct and operate sour and fuel gas pipelines south of Dawson Creek, British Columbia between wellsite d-64-1/93-P-8 in British Columbia and wellsite 15-31-74-13 W6M in Alberta. The pipelines are approximately

4.3 kilometres (2.6 miles) in length and consist of a sour gas line and a fuel gas line to be laid in the same ditch. The estimated cost of the project is \$980,000.

On 2 February and 23 March 1998, the Board sent letters to AEC West requesting additional information.

5. *CML Resources Ltd. (CML) and Renaissance Energy Ltd. (Renaissance) - Sale and Purchase of an Interprovincial Polyethylene Fuel Gas Pipeline*

On 21 November 1996, CML applied for approval to sell and Renaissance applied for approval to purchase an interprovincial polyethylene fuel gas pipeline. The pipeline, originally owned by Koch Exploration, extends for 200 metres (656 feet) crossing the Alberta/Saskatchewan border.

On 9 January 1997, the Board sent a letter to Renaissance requesting additional information.

6. *Maritimes & Northeast Pipeline Management Ltd. (M&NP) - Certificate GC-95 - Winter Construction*

On 15 May 1998, M&NP applied for approval of a schedule change to Certificate GC-95 to permit the option of beginning construction and installation on approximately 200 kilometres (120 miles) of pipeline during the winter rather than the summer as contemplated in Certificate GC-95. Certificate GC-95 authorizes M&NP to construct 558 kilometres (347 miles) of pipeline from a gas plant in Goldboro, Nova Scotia to the international border near St. Stephen, New Brunswick. The pipeline will transport natural gas from Sable Island.

M&NP proposes winter construction from kilometre post 181 to kilometre post 333 (mile post 112 to mile post 206) which covers Nova Scotia and New Brunswick wet areas adjacent to the Tantramar Marsh and related waterways and from kilometre post 450 to kilometre post 500 (mile post 279 to mile post 310) within Sunbury County, New Brunswick.

M&NP stated that its application is based primarily on significantly changed circumstances since the GH-6-96 hearing which makes clear the need for M&NP to have the option to alter the probable schedule anticipated at the time of the hearing. Specifically, the competition for available pipeline construction resources has considerably increased since the presentation of evidence concerning the construction schedule in the GH-6-96 record. Given the high level of construction activity, any unplanned delays in M&NP's construction would put the planned in-service date at risk because it is unlikely that such a delay could be remedied by allocation of additional resources.

On 29 June 1998, the Board sent a letter to M&NP requesting additional information.

7. Novagas Canada Pipelines Ltd. (NCPL) - Taylor to boundary Lake Liquids Pipeline

On 11 August 1997, the Board issued Certificate OC-43 to Novagas Clearinghouse Pipelines Ltd., now NCPL, to construct approximately 58 kilometres (35 miles) of natural gas liquids high vapour pressure ("HVP") pipeline with associated pumping and metering facilities from the Solex Developments Company Inc. straddle plant at Taylor, British Columbia to a NCPL metering facility in Alberta. The facilities will enable natural gas liquids including ethane, butane and condensate to be delivered to fractionation facilities in Alberta and subsequently delivered to markets. Since the issuance of Certificate OC-43 there have been new developments that have resulted, among other things, the proposed NCPL Taylor Straddle Plant not being constructed and the existing Younger Straddle Plant being expanded instead.

On 9 April 1998, NCPL applied to: (i) acquire from Nevis Ltd. certain pipeline facilities which are identified as the Boundary Lake and Taylor pipelines; (ii) construct necessary interconnections between the existing Nevis pipelines and the portion of pipeline that has already been constructed under Certificate OC-43 (17 kilometres); (iii) relocate the NCPL pump station; (iv) upgrade the existing valves and install new ones; and, (v) change the service fluid in the existing Boundary Lake and Taylor pipelines from oil to HVP product.

On 19 May and 17 June 1998, the Board sent letters to NCPL requesting additional information.

Traffic, Tolls and Tariff Matters

Matters Completed

1. Foothills Pipe Lines (Alta.) Ltd., Foothills Pipe Lines (South B.C.) and Foothills Pipe Lines (Sask.) Ltd. - 1998 Operating and Maintenance Expense Budgets (O&M Budgets)

On 16 April 1998, the Board approved the 1998 O&M Budgets for the above-noted companies.

On 5 December 1997, Foothills Pipe Lines Ltd. applied, on behalf of the above-noted subsidiaries, for approval of O&M Budgets for Zones 6 to 9 for the 12-month period ending on 31 December 1998.

2. Foothills Pipe Lines Ltd. (Foothills) - Negotiated Settlement

On 8 May 1998, the Board approved tariff amendments filed by Foothills. Foothills had requested approval of a Negotiated Settlement on the Basket Clause Tariff Provision and Contract Renewal Policy. The Board noted that, as the

Settlement was opposed, it did not constitute a settlement as contemplated by the *Guidelines for Negotiated Settlements for Traffic, Tolls and Tariffs*.

On 17 March 1998, Foothills filed an application for approval of a negotiated settlement of the Basket Clause in its tariff and an amended contract renewal policy. The Basket Clause is a provision in the tariff to change the depreciation rate applicable to Foothills' rate base assets as of specified trigger dates for each of four Zones. The effect of this change in depreciation rates is to fully depreciate Foothills' unamortized assets within four years. The last tariff amendment regarding the trigger dates shows the Basket Clause becoming effective 1 November 1997 for Zones 6 and 9 (Eastern Leg) and 1 November 1999 for Zones 7 and 8 (Western Leg). Based on the current level of unamortized rate base, the effect of triggering the Basket Clause would increase tolls on Foothills materially. Foothills' tolls have been on an interim basis since 1 November 1997.

The Board had sought comments from interested parties on the merits of the settlement.

3. TransCanada PipeLines Limited (TCPL) - Second Report of the 1998.a Tolls Task Force

TCPL applied for approval of several resolutions as contained in the above-noted report.

The Board approved the following:

Resolution	Date approved	Subject
01-98	17 February 1998	FST differential calculation/Level for 1999 and Beyond
02-98	17 February 1998	Tariff update: General Terms and conditions
03-98	17 February 1998	Extension of Foreign Exchange Management Program
04-98	25 February 1998	Elimination of single handshake service
05-98	23 March 1998	Extension of the Pilot Parking and Loan Service
06-98	23 March 1998	Enhanced Pipeline Maintenance Program (1998)

Matters Under Consideration

4. *PanCanadian Petroleum Limited - Request for Condensate Transportation*

For further information on this matter, refer to item 4 under *Traffic, Tolls and Tariff Matters, Matters Under Consideration* of issue No. 62 of the *Regulatory Agenda* dated 1 October 1997.

5. *TransCanada PipeLines Limited (TCPL) - 1998 Tolls*

On 23 March 1998, TCPL filed an application for approval of final tolls it may charge for the period 1 April to 31 December 1998 for the transportation of natural gas to markets in Canada and the United States. TCPL has been operating on interim tolls since 1 January 1998.

In its application, TCPL forecast a 1998 Gross Revenue Requirement of \$1,951 million for its mainline operations. TCPL forecast an overall Rate of Return of 9.46 per cent, compared with 9.85 per cent that was approved for 1997. This includes a Rate of Return on Common Equity of 10.21 per cent approved for 1998, as per the adjustment mechanism approved in the Multi-Pipeline Cost of Capital Decision (RH-2-94), a decrease from the 1997 rate of 10.67 per cent. TCPL's deemed Common Equity Ratio remains at 30 per cent.

The Eastern Zone Toll calculated in the application, effective 1 April 1998, is 90.4¢ per gigajoule. The effect of the proposed Cost of Service on the 1998 Test Year volumes is to increase the annualized Eastern Zone Toll by 3.3¢ per gigajoule from the annualized 1997 Toll.

6. *Westcoast Energy Inc. (Westcoast) - Framework for Light-Handed Regulation*

On 25 June 1998, the Board approved Westcoast's Framework for Light-Handed Regulation (Framework) which amends the Multi-year Incentive Toll Settlement (Settlement) approved by the Board on 22 August 1997. The Framework does not replace the Settlement but provides the mechanism by which Westcoast's tolls for gathering (Zone 1) and processing (Zone 2) services will be negotiated with shippers.

Briefly, the components of the Framework are:

- (a) an *Introduction* which states that Westcoast and its stakeholders propose a new model of regulation to address increasing competition in the provision of gathering and processing services in British Columbia;
- (b) a *Fair Dealing Policy* which is intended to ensure that all parties desiring or obtaining service from Westcoast are treated fairly;
- (c) a *Contracting Practice* which establishes the parameters under which Westcoast will negotiate individual agreements with shippers and provides that Westcoast will

continue to offer service under standard contracts to those shippers who do not wish to negotiate individual contracts;

- (d) a *Provision of Market Information and Confidentiality of Contracts* which addresses the means by which information concerning the contracts negotiated between Westcoast and shippers will be made available to others;
- (e) a *Complaint Process* which provides a process which will enable parties to resolve disputes without the necessity of applying to the Board, that is, resolutions of complaints by mediation, arbitration or, where required, by adjudication by the Board;
- (f) an *Asset Utilization and Disposition Policy* which establishes the principle that, as part of the proposal for light-handed regulation, Westcoast is responsible for the utilization, and loss or gain on disposition, of its gathering and processing facilities; and,
- (g) an *Interconnection Policy* which is designed to further the competitive environment for gathering and processing services by enabling the owners of third-party facilities to interconnect with Westcoast's facilities in Zone 1 and Zone 2.

In May 1998, Westcoast held a Workshop to present the Framework and to respond to questions from Board staff and interested parties. The Board also conducted a written proceeding to allow interested parties to comment on the Framework.

7. *Westcoast Energy Inc. (Westcoast) - Negotiated Shipper-Specific Load Retention Service Tariff and Tolls - F.N. Contract No.1 and No. 2*

(Refer to item 6 above.)

On 23 December 1997, Westcoast applied for approval of a tariff entitled "F.N. Contract No. 1, Load Retention Service, Fort Nelson Area, Raw Gas Transmission and Treatment Services". This tariff contains tolls to be charged by the Company to a shipper in the Fort Nelson area for gathering and processing services through Westcoast's existing facilities.

On 25 June 1998, the Board decided that the F.N. Contracts No. 1 and No. 2 fell within the ambit of the Framework for Light-Handed Regulation (Framework). The Board directed Westcoast to include information concerning the F.N. Contracts in the Company's quarterly market information reports, which are to be made available pursuant to section D of the Framework.

Frontier Matters

1. Imperial Oil Resources Limited (Imperial) - Declaration of Significant Discovery

On 12 June 1998, the Board made a declaration of significant discovery, in accordance with the *Canada Petroleum Resources Act* ("CPR Act"), with respect to Imperial Oil Resources Limited's ("Imperial") South Nipiterk structure in the Beaufort Sea. This declaration of a significant discovery is based on the results of an exploration well drilled in 1989 by Esso Resources Limited, now Imperial.

A significant discovery is defined in the CPR Act as "... a discovery indicated by the first well on a geological feature that demonstrates by flow testing the existence of hydrocarbons in that feature and, having regard to geological and engineering factors, suggests the existence of an accumulation of hydrocarbons that has potential for sustained production."

In April 1998, the Board had advised, in accordance with the CPR Act, that directly affected parties may request a hearing in respect of this matter within 30 days of the date of the Board's notice, which was 28 April 1998. No request for a hearing was received. Therefore, the Board has issued the Significant Discovery Declaration.

2. Activities for the Second Quarter of 1998

(a) Approval was given to Imperial Oil Resources Ltd. for the following activities at Norman Wells:

- (i) "Turbine Fuel Enrichment Project" pursuant to paragraph 5(1)(b) of the *Canada Oil and Gas Operations Act* (COGOA) on 07-05-98.
- (ii) "Alter Condition of a Well" pursuant to section 19 of the *Canada Oil and Gas Production and Conservation Regulations* (COGPCR) was granted for the well Imperial Canol Goose Island P-07X on 23-06-98.

(b) Approval was given to Ranger Oil Ltd. for the following activities:

- (i) "Well Termination Records" pursuant to section 184 of the *Canada Oil and Gas Drilling Regulations* ("COGDR") were issued for:

Ranger Fort Liard P-66A	29-04-98
Ranger Bear Rock O-20	29-04-98
Ranger <i>et al</i> Little Bear M-39	29-04-98
Ranger Nota Creek C-19	29-04-98
- (ii) "Alter Condition of a Well" pursuant to section 19 of the COGPCR for the Range Fort Liard P-66A well on 26-06-98.

(c) Approval was given to the Inuvialuit Petroleum Corporation for the following activities:

- (i) Suspension program pursuant to section 218 of the COGDR for the IPC Ikhil K-35 well on 03-04-98.
- (ii) Abandonment program pursuant to section 210 of the COGDR for the IPC Ikhil N-26 well on 06-04-98.
- (iii) Suspension program pursuant to section 218 of the COGDR for the IPC Ikhil J-35 well on 24-04-98.
- (d) Approval was given to Anderson Oil & Gas Inc. for the following activities:
 - (i) "Well Termination Records" pursuant to section 184 of the COGDR were issued for:

Canada Southern <i>et al</i>	
N Beaver R YT I-27	04-04-98
Columbia <i>et al</i>	
Kotaneelee YT E-37	04-04-98
 - (ii) "Alter Condition of a Well" pursuant to paragraph 5(1)(b) of the COGOA for the Columbia *et al* Kotaneelee YT B-38 well on 08-06-98.
- (e) Approval was given to Amoco Canada Petroleum Company Ltd. for the following activities:
 - (i) "Alter Condition of a Well" pursuant to Part VIII of the COGDR was issued for:

Pan Am Pointed	
Mountain K-45A	03-06-98
Amoco A-4 Pointed	
Mountain A-55	03-06-98
- (f) Five new applications for geological, geophysical or geotechnical operation authorization and two applications for amendments to previously authorized operations were received. Three applications and two amendments to previously authorized operations were approved pursuant to section 5 of the COGOA as follows:

Company	Area	Date
BFR Geophysical	Ft. Liard	May 15, 1998
BFR Geophysical	Ft. Liard	May 15, 1998
BFR Geophysical (Amendment)	Ft. Liard	June 11, 1998
BFR Geophysical (Amendment)	Ft. Liard	June 11, 1998
Chevron Resources	Franklin Mountain	June 11, 1998

The remaining two applications are being reviewed.

Appeals and Reviews

Appeals

Appeal Completed

1. Richard Leroux and 417 Auto Wreckers Limited (Appellant) - TransCanada PipeLines Limited

On 27 May 1998, the Federal Court of Appeal dismissed an appeal by the Appellant.

On 6 May 1996, the Federal Court of Appeal granted an application by the Appellant for leave to appeal the Board's Decision of 22 December 1995. In that decision, the Board found that the aggregate application of the Appellant did not fall within section 81 of the NEB Act as it did not meet the requirement of "mines or minerals". The Court heard the appeal on 27 May 1998.

Appeals Pending

2. Alberta Department of Energy (ADOE) - Northstar Energy Corporation (NEC) - GH-1-98

On 25 May 1998, the ADOE applied to the Federal Court of Appeal for leave to appeal a ruling of the Board dated 24 April 1998 in which it dismissed a motion by the ADOE challenging the Board's jurisdiction to hear an application by NEC to construct a pipeline (refer to item 1 under *Applications Considered by Public Hearing, Recent Hearing Decisions*) on the grounds that the NEC application involved a local work and undertaking, rather than an extraprovincial work and undertaking.

The ADOE also applied to the Board for a Stay of Execution of the Board's Decision GH-1-98. On 4 June 1998, the Board denied the application for a Stay of Execution. Subsequent to the Board's dismissal of the stay application, ADOE, on 24 June 1998, filed with the Federal Court of Appeal an application for leave to appeal the Board's decision dated 24 April 1998.

3. Canadian Hunter Exploration Ltd. (Canadian Hunter) - Tidal Resources Inc.

On 22 August 1996, Canadian Hunter filed with the Federal Court of Appeal an application for leave to appeal the Board's decision of 25 July 1996 in which it decided, as a result of the approval of Tidal Resources Inc.'s application to construct a pipeline, that it had jurisdiction over certain upstream gathering facilities located within the province of British Columbia which are owned and operated by Canadian Hunter.

On 7 November 1996, the Court granted the leave to appeal application. On 14 October 1997, Canadian Hunter served the Board with its Memorandum of Points of Argument.

4. Hydro-Québec - Access to Export Contract

On 23 September 1996, Hydro-Québec filed a Notice of Motion with the Federal Court, Trial Division to review the Board's decision of 4 September 1996, pursuant to section 44(1) of the *Access to Information Act*, in which the Board decided that a copy of a firm diversity contract between Hydro-Québec and Consolidated Edison would be made available to Mouvement Au Courant as requested.

Pursuant to a preliminary motion, the Court held that it was appropriately seized of the matter via the *Access to Information Act*.

5. The Industrial Cape Breton Community Alliance Group (Alliance) on the Sable Gas Project

On 25 November 1997, the Alliance filed an Originating Notice of Motion with the Federal Court of Canada, Trial Division for the purpose of having the Joint Public Review Panel Report dated 27 October 1997, and the Report of the Commissioner for the Canada-Nova Scotia Offshore Petroleum Board dated 27 October 1997, reviewed, set aside and referred back to the Joint Panel and the Commissioner and that they direct Sable Offshore Energy Project to file a socio-economic impact study incorporating an economic cost-benefit analysis and the environmental effects of the project on Cape Breton. On the same date, the Alliance filed a similar Originating Notice of Motion with the Federal Court of Appeal.

On 13 January 1998, the Federal Court Trial Division heard a motion from the Cape Breton Alliance to add the Governor in Council, the Federal and Nova Scotia Environment Ministers, the National Energy Board and the Canada-Nova Scotia Offshore Petroleum Board as respondents in the judicial review. The Court adjourned the case *sine die* to permit the Alliance to review the written submissions filed by the Sable Offshore Energy Project and Maritime & Northeast Pipeline Management Ltd.

6. Tatham Offshore Inc. - Sable Island Gas Projects

For more information on this item refer to Item 2 under *Appeals, Appeals Completed* of Issue No. 63 of the *Regulatory Agenda* dated 1 January 1998.

7. Union Gas Limited (Union) - Trans Québec & Maritimes Pipeline Inc. (TQM) - PNGTS Extension - GH-1-97

(Refer to item 1 under *Reviews, Reviews Completed* below.)

On 4 May 1998, Union applied to the Federal Court of Appeal for a judicial review of the Board's Reasons for Decision issued on 3 April 1998 regarding an application by TQM to construct a pipeline from Lachenaie, Quebec to the New Hampshire border near Pittsburg, U.S.A.

Union applied for (i) an order suspending the deadlines for the filing of documents or the taking of steps in these proceedings by all parties for 90 days or until the date on which the Board responds to a written request by Union for reasons for the GH-1-97 Decision, whichever date occurs first, after which time and subject to Union's abandonment of the application the deadline shall continue as if this application were filed on the date of such response (ii) a writ of *mandamus* requiring the Board to issue reasons for the GH-1-97 Decision addressing the issues and evidence that were before the Board during the GH-1-97 Hearing (iii) such further relief as counsel should advise and the Court permit, and (iv) an order for the costs of this proceeding.

Reviews

Reviews Completed

1. *Express Pipeline Ltd. (Express) - National Energy Board Cost Recovery Regulations (CRR)*

On 18 June 1998, the Board dismissed an application from Express for a review and/or consideration of a complaint for resolution of a dispute under the Treasury Board policy entitled "Cost Recovery and Charging Policy" of the Board's decision of 6 February 1997 to include Express under Schedule I, Part 1 of the CRR.

All Group 1 pipelines (essentially the major pipelines under the Board's jurisdiction) are classified in the CRR as Schedule I, Part I pipelines, which subjects them to cost recovery charges based on volumes shipped. Group 2 companies are classified as Schedule I, Parts II or III pipelines, which subjects them to fixed charges in relation to cost recovery.

During the public hearing of the application by Express for a certificate to construct a pipeline, the company had requested classification as a Group 2 pipeline. The Board approved the company's request that Express be classified as a Group 2 company. However, the Board stated that "there is no direct link between the classification of a company for regulatory purposes and the classification of a company for cost recovery purposes.". Subsequently the Board amended

the CRR, so as to include Express on Schedule I, Part I of the CRR.

Express submitted that the Board's decision to classify it as a Schedule I Part I company was incorrect because Express was not given adequate notice and an opportunity to comment on the reclassification. Furthermore, Express alleged that since the previous practice of the Board was to treat Group 1 and Schedule I, Part I, companies as synonymous, Express should have been given an opportunity to address submissions to the Board on this point.

On 17 February 1998, the Board determined that Express had raised a reasonable doubt as to the correctness of the Board's decision of 6 February 1997 to amend the CRR. Accordingly, the Board declared the previous decision to be reviewable and directed that a review be conducted to determine whether the Board's decision should be rescinded or varied and the method or methods necessary to implement that decision.

2. *Union Gas Limited (Union) - Trans Québec & Maritimes Pipeline Inc. (TQM) - PNGTS Extension - GH-1-97*

(Refer to item 7 under *Appeals, Appeals Pending* above.)

On 19 June 1998, the Board denied an application by Union to review the Board's Decision GH-1-97.

On 5 May 1998, Union delivered to the Board an application to the Federal Court of Appeal in which it is seeking an order from the Court requiring the Board to provide reasons for the GH-1-97 Decision that are responsive to the evidence and argument concerning the tolling methodology issue in that hearing.

In its letter of 5 May 1998 to the Board, Union indicated that it was hopeful that it will not be necessary to proceed with the application to the Court. Union requested that the Board consider the matter described in the letter and the application to the Court and provide an addendum to its GH-1-97 Decision that addresses the issues that Union raised so that the Court proceeding can be withdrawn.

Amendments to Guidelines and Regulations

Amendments to the Board's guidelines and regulations completed or in various stages of preparation, include the following:

1. *Memorandum of Guidance (MOG) Concerning Full Implementation of the September 1988 Canadian Electricity Policy*

On 21 April 1998, the Board issued an addendum to the above-noted MOG dated 22 April 1997. The MOG includes a section entitled "Procedures for Processing Export and

International Power Line Applications Under the NEB Act". In addition to publication by all applicants in Part I of the *Canada Gazette*, that section of the MOG includes general public notice and service direction in regard to electricity applications.

The Board has decided to revise the MOG to ensure that all export applicants, namely, those that have service areas and/or own generation - those that are pure marketer - those that may have an affiliation with the other described appli-

cants - are treated equally in regard to Notice of Application/Direction on Procedures publication and the service of applications on interested parties.

2. National Energy Board Act Part VI (Oil and Gas) Regulations

The Board is proceeding with recommending that the Governor-In-Council approve amendments to the Regulations because some provisions in the existing Regulations are inconsistent with the new market-based approach to regulating the long-term exportation of crude oil.

3. Onshore Pipeline Regulations

On 8 April 1997, the Board forwarded a new draft consolidation of the *Onshore Pipeline Regulations* to the Department of Justice for legal review.

The *Onshore Pipeline Regulations* specify the requirements for the protection of property and the environment and safety of the public and company employees in the design, construction, operation, maintenance and abandonment of an onshore pipeline.

The *Onshore Pipeline Regulations* are further being amended to reflect the incorporation of CSA Z662-96. In the interim, the Board issued an Order to all the pipeline companies under its jurisdiction, exempting them from the requirement to comply with CSA Standard Z662-94 upon the condition that they comply with the CSA Standard Z662-96.

A set of companion guidelines to these regulations is being prepared for completion later in 1998.

4. Offshore Pipeline Regulations

The *Offshore Pipeline Regulations* will specify the requirements for the protection of property and the environment and the safety of the public and the company's employees in the design, construction, operation and abandonment of an offshore pipeline.

The Regulations are at the drafting stage.

5. National Energy Board Cost Recovery Regulations (CRR)

On 2 April 1998, the Board enacted the *Regulations Amending the National Energy Board Cost Recovery Regulations*. The Regulations contain several significant changes to the CRR.

Firstly, the amendment requires smaller pipeline companies known as Group 2 companies to file with the Board information prepared within the last two years showing the com-

panies' cost of service, or an estimate of the current years cost of service. Secondly, the amendments create new categories known as small electricity exporters and border accommodation exporters. Persons within the small electricity exporter category will be required to pay a yearly fee of \$500.00 while border accommodation exporters will pay a one time fee of \$500.00. Large electricity exporters will now pay a minimum charge of \$500.00 per annum. Thirdly, the Regulations incorporate a rolling average methodology for the calculation of cost recovery charges applicable to large electricity exporters.

These amendments also make changes to the definitions in the CRR in order to create categories of companies to ensure a more consistent application of these CRR. The aggregate costs of the Board are also lowered from 100 to 95 per cent to reflect a fairer method of estimating the actual cost of operating the Board.

6. Hydrocarbon Processing Plant Regulations

Draft Hydrocarbon Processing Plant Regulations are estimated to be completed later in 1998.

7. Regulations and Guidelines Pertaining to Canada Oil and Gas Operations Act

The process of creating and amending regulations pertaining to oil and gas activities, under the provisions of the *Canada Oil and Gas Operations Act*, proclaimed in force in September 1992, is continuing. At present, the *Regulatory Agenda* is as follows:

Regulations and Guidelines being drafted:

Canada Oil and Gas Occupational Safety and Health Regulations - Amendment

Canada Oil and Gas Drilling Regulations - Re-structuring

Canada Oil and Gas Production and Conservation Regulations - Amendment

Canada Oil and Gas Diving Regulations - Amendment

Newfoundland Offshore Area Petroleum Occupational Safety and Health Regulations

Nova Scotia Offshore Area Petroleum Occupational Safety and Health Regulations

Physical Environmental Guidelines for Drilling Programs on Frontier Lands

Other Matters

Canadian Energy and Supply Demand - 1998-2025 - Public Consultations

The Board is preparing a report entitled "Canadian Energy Supply and Demand 1998-2025". This report, scheduled to be published in 1999, will provide an analysis of energy trends, issues and developments impacting Canada over the next quarter century. As part of this process, the Board has conducted public consultations to obtain the views of interested parties. The focus of the consultations was to firstly, obtain comments concerning the assumptions, emerging energy issues and scope of the report; and, secondly, seek comments on the resulting analysis.

The first round of public consultations took place in April and May 1998 in various cities across the country; Calgary

(April 8 and 9), Ottawa (April 15), Toronto (April 17), Montreal (April 20), Halifax (April 22), St. John's (April 24), Vancouver (April 28) and Regina (1 May).

On 13 March 1998, a consultation package was made available which comprised the Board's assumptions and issues to be discussed in these workshops. Alternatively, or in addition to the workshops, interested parties were invited to make written comments or submit papers on the consultation package.

The Board is currently analyzing the information from the first round of consultations. A second round of consultations will focus on obtaining comments on the initial results and will take place towards the end of 1998, prior to finalizing the report.

Administrative Matters

Speeches

Impact of the Regulatory Overlay on Commercial Decisions, a presentation by Judith A. Snider, Board Member, to the CERI North American Natural Gas Conference held in Calgary, Alberta on 23 and 24 February 1998.

The Role of the Regulator in the Pipeline Market Place, a presentation by Judith A. Snider, Board Member, to the Toronto Gas Fair held in Toronto, Ontario on 14 April 1998 (slides only).

The National Energy Board, is it relevant to the Energy Sector in Newfoundland?, a presentation by Gaétan Caron, Executive Director and Temporary Board Member, to Newfoundland Ocean Industries Association Business Luncheon in St. John's, Newfoundland on 19 May 1998 (slides only).

Reflections on National Energy Board regulation, 1959-1998, a presentation by Roland Priddle, former Chairman of the Board, prepared for the Canadian Petroleum Law Foundations' Thirty-seventh Annual Research Seminar on Oil and Gas Law held in Jasper, Alberta on 5 June 1998.

The Emerging Context for the Physical Regulation of Pipelines a presentation by Kenneth W. Vollman, Acting Chairman, to the International Pipeline Conference held in Calgary, Alberta on 9 June 1998.

Documents Issued - 1 April to 30 June 1998

Reasons for Decision

Northstar Energy Corporation - Natural Gas Pipeline - GH-1-98 - May 1998

Interprovincial Pipe Line Inc. ("IPL") - Oil Pipeline - OH-1-98 - June 1998

Report

1997 Annual Report

Instructions for Filing

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 311 - Sixth Avenue S.W., Calgary, AB T2P 3H2; **(As of 17 August 1997 it should be addressed to National Energy Board, 444 Seventh Avenue S.W., Calgary, AB T2P 0X8)** Telephone (403) 292-4800; Fax (403) 292-5503.

Appendix I lists the number of copies required for the different types of applications.

Telephone Numbers

Appendix II lists the telephone number of Board Members and key staff.

Web Site

Internet users are invited to visit the Board's Internet home page at www.neb.gc.ca.

Board Document System (BDS)

The Board's BDS system is available to the public, offering direct access to an electronic library of regulatory documents. Document contents may be searched on-line with full-text search capabilities. Presently, the system contains Reasons for Decision dating from 1985 and hearing transcripts from 1991. Other document types will be added gradually, as they become available in standardized electron-

ic format. The BDS may be used from remote locations or at the Board's Calgary office. The only cost to users will be long-distance telephone charges, if any, to connect to the system.

All users are asked to register with the Board and sign a public access agreement. This agreement explains the responsibilities of the user and outlines relevant terms and conditions. Request for a user account may be made by mail, facsimile or telephone at (403) 292-4800. For more information, a brochure on the Board Document System is also available.

National Energy Board
M. L. Mantha
Secretary

For copies of documents contact:
Publications Office
Tel: (403) 299-3562
Fax: (403) 292-5503
Email: orders@neb.gc.ca

For information contact:
Denis Tremblay
Communications Officer
Tel: (403) 299-2717
Fax: (403) 292-5503
Email: denis.tremblay@neb.gc.ca

Appendix I

Number of Copies Required for Filings

Applicants are requested to provide the following number of copies of their applications or other filings to the National Energy Board. For matters not listed below, one copy is sufficient.

Type of Application or Filing	No. of Copies	Type of Application or Filing	No. of Copies
(a) Hearing Matters		(iii) Oil Exports	
(i) Certificates		Registered Oil Export Orders	05
Pipeline	25	(iv) Tolls	
Power Line	20	Class I and II Adjustments	20
(ii) Export Licences		Interim Orders	20
Natural Gas	25	Operating and Maintenance Budgets	20
Electricity	20	Changes in Depreciation Rates	20
(iii) Tolls	25	Quarterly Surveillance Reports	20
(iv) Land Acquisitions	20	New or Changed Tariffs	20
(b) Non-Hearing Matters		Domestic Gas Sales Contracts and Amendments	20
(i) Natural Gas		Amendments to Tariff Orders	20
Export Orders	20	(v) Pipelines and Power Lines	
Orders for Transmission Access	20	Permits	15
Licence Amendments	20	Exemption Orders Pipelines (Sec. 58)	20
Amendments to Export Contracts	20	Certificate Amendments	20
Licence Revocations	20	Leave to Sell or Transfer	20
(ii) Electricity Exports		Incident Reports	20
Permits	15	(vi) Other	
Licence or Permit Amendments	15	Application for Review	20
Licence or Permit Revocations	15		

The number of copies of interventions or submissions to be provided in response to applications will be specified in the applicable hearing order. Private individuals who would find the provision of multiple copies an undue financial burden may file one copy, with a request to be excused from multiple filing.

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 311 - Sixth Avenue S.W., Calgary, Alberta, T2P 3H2: **(As of 17 August 1997 it should be addressed to National Energy Board, 444 - Seventh Avenue S.W., Calgary, AB T2P 0X8)** Telephone (403) 292-4800; Fax (403) 292-5503.

Appendix II

Selected List of Telephone Numbers

(Area Code 403)

General Information	292-4800
Incident Reporting Number	1-800-632-1663
	1-800-NEB-1-ONE
Publication Office	Tel: 299-3562
	Fax: 292-5503
	Email: orders@neb.gc.ca
Web Site	www.neb.gc.ca

Board Members

Acting Chairman	Kenneth Vollman	299-2730
Assistant	Carmen Morin	299-2725
Vice Chairman	Kenneth Vollman	299-2730
Assistant	Lillian Handelman	299-2741
Member	Anita Côté-Verhaaf	299-2739
Assistant	Lillian Handelman	299-2741
Member	Judith Snider	299-2737
Assistant	Louise Niro	299-2734
Member	Diana Valiela	299-2729
Assistant	Geraldine McCullum	299-2728
Member	Rowland J. Harrison	299-2736
Assistant	Margaret Merta	299-2734
Temporary Member ^(a)	Gaétan Caron	299-2700
Admin. Assistant	Jan Dane	299-2701
Temporary Member ^(b)	C. Mervin Ozirny	299-2740
Assistant	Louise Niro	299-2734

(a) Temporary member appointed on 4 September 1997 for a period of 24 months.

(b) Temporary member appointed on 28 October 1997 for a period of nine months.

Executive Director

Executive Director	Gaétan Caron	299-2700
Admin. Assistant	Jan Dane	299-2701

Professional Leaders

Environment	Vacant	
Energy Resources	Vacant	
Engineer	Frank Gareau	299-3178
Economics	Glenn Booth	299-3621

Legal Services

General Counsel and Director Administrator	Judith Hanebury	292-6497
	Susan Gudgeon	299-2704
Counsel	Peter Noonan	299-3552
Counsel	Margery Fowke	299-2708
Counsel	Claire McKinnon	299-2707
Counsel	Guy Delisle	299-3937
Secretary	Corina Smith	299-3551
Counsel	Lori Ann Boychuk	292-2709
Counsel	Christine Beauchemin	292-6489
Counsel	Gino Grondin	292-6495
Counsel	Peter Enderwick	292-4104
Secretary	Patricia Rouleau	292-6540

Information Management Business Unit

Business Unit Leader	Scott Richardson	299-2711
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Secretary and Team Leader

Regulatory Operations	Michel Mantha	299-2714
-----------------------	---------------	----------

Technical Project Manager, Electronic

Regulatory Filing	Neil Levette	299-3613
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Communications

A/Team Leader	Ann Boiteau	299-2713
Communications Officer	Denis Tremblay	299-2717
Communications Officer	Ross Hicks	299-3930
Communications Officer	Ruth Grenville	299-2719
Reception		292-4800

Library

Team Leader	Shawn Aitken	299-3932
Library, Information		299-3561

Applications Business Unit

Business Unit Leader	Brenda Kenny	299-3565
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TransCanada PipeLines Limited and Trans Québec & Maritimes Pipeline Inc.

Team Leader	Steve Brown	299-3653
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Westcoast Energy Inc. and Trans Mountain Pipe Line Company Ltd.

Team Leader	Hans Pols	299-3189
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Interprovincial Pipe Line Inc., Trans-Northern Pipelines Inc. and Express Pipeline Ltd.

Team Leader Christine van Egmond 299-2783

Alberta Natural Gas Company Ltd, Foothills Pipe Lines Ltd. and Alliance Pipeline Ltd.

Team Leader Jim Fox 299-3628

Cochin Pipe Lines Ltd., Part VI and Natural Gas Liquids

Team Leader Gurdeep Gill 299-3659

Commodities Business Unit

Business Unit Leader Terrance Rochefort 299-3646

Commodity Convergence

Team Leader Jawed Aziz 299-3630

Gas

Team Leader Bill Bingham 299-3198

Oil

Team Leader Barry Lynch 299-3197

Electricity

Team Leader Julian Emanuel 299-3186

Resource Assessment

Team Leader Jim Davidson 299-3135

Operations Business Unit

Business Unit Leader John McCarthy 299-2766

Health, Safety and Environment

Team Leader Wayne Marshall 299-3901

Frontier

Team Leader Terry Baker 299-2792

Regulatory Development

Team Leader Bharat Dixit 299-3903

Pipeline Accident Investigation

Team Leader Paul Trudel 299-2768

Corporate Services Business Unit

Business Unit Leader Sylvia Farrant 299-2703

Assistant Sylvie Joannis 292-4056

Human Resources Development

Team Leader Christine Elder 299-3698

Labour Management

Team Leader Earl Schultz 299-3620

Planning and Reporting

Team Leader Peter Schnell 292-6137

Supply Management

Team Leader Bryan Labbé 299-3916

Appendix III

Section 58 Applications

The Board has approved or is considering several applications under section 58 of the NEB Act involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. These matters may be considered by the Board without a public hearing.

Gas Pipelines

Applicants	File/Order Nos.	Application	Est. Cost
Alberta Natural Gas Company Ltd	File: 3400-A2-22 Order: XG-A2-24-98	Application dated 27 November 1997; approved on 22 April 1998. Six projects.	29,854,000
	File: 3400-A2-22 Order: MO-38-98	Application dated 27 November 1997; approved on 25 June 1998. Lowering and replacing sections of pipe at Leach Creek and Hawkins Creek.	3,920,000
	File: 3400-A2-22 Decision Pending	Application dated 27 November 1997. Construct a new access road to the right-of-way in southeastern British Columbia.	32,000
Champion Pipeline Corporation Limited	File: 3400-C17-5 Order: XG-C17-34-98	Application dated 19 March 1998; approved on 29 May 1998. Install launchers and receivers and replace valves and sections of pipe.	490,000
Many Islands Pipe Lines (Canada) Limited	File: 3400-M29-25 Decision Pending	Application dated 11 June 1998. Construct a natural gas hot tap-off.	31,800
Foothills Pipe Lines Ltd.	File: 3400-F6-23 Order: XG-F6-31-98	Application dated 26 March 1998. Approved on 13 May 1998. Eight projects in Zones 6 and 9.	1,888,700
TransCanada PipeLines Limited	File: 3400-T1-146 Order: XG-T1-21-98	Application dated 23 December 1997; approved on 8 April 1998. Thirty five projects.	18,442,000
	File: 3400-T1-153 Order: XG-T1-27-98	Application dated 7 April 1998; approved on 29 April 1998. Replace 106 metres of Lines 100-1 and 100-2 between MLVs 123 and 124 with Class 3 pipe.	865,000
	File: 3400-T1-152 Order: XG-T1-35-98	Application dated 3 April 1998; approved on 29 May 1998. Construction No. 8 - Recoat 26.16 kilometres of Line 100-2 at three locations, two downstream of MLV 5 and one downstream of MLV 6.	17,377,000
	File: 3400-T1-150 Order: XG-T1-39-98	Application dated 26 March 1998; approved on 3 June 1998. Construction No. 6 - Welland Canal crossing.	2,781,000
	File: 3400-T1-147 Order: XG-T1-40-98	Application dated 5 March 1998; approved on 9 June 1998. Construction No. 3 - Modifications and upgrades to Emerson II Meter Station.	1,871,000
	File: 3400-T1-149 Decision Pending	Application dated 13 March 1998. Construct a 6.5-kilometre (4-mile) loop between MLVs 204-3 and 205-3 in Ontario.	14,700,000

Gas Pipelines

Applicants	File/Order Nos.	Application	Est. Cost
Westcoast Energy Inc.		On 16 April and 11 May 1998, the Board sent letters to TransCanada requesting additional information. On 24 April 1998, the Board established a written procedure to deal with the application.	
	File: 3400-T1-154 Decision Pending	Application dated 25 March 1998. Construction No. 4 - Construct two delivery points to Union Gas Limited, Hurkett Sales Tap and Lennox Sales Meter Station.	
		On 21 May 1998, the Board sent a letter to TransCanada requesting additional information.	
	File: 3400-T1-151 Decision Pending	Application dated 30 March 1998. Lower 2 473 metres of pipeline and install a pig receiver.	
		On 17 June 1998, the Board sent a letter to TransCanada requesting additional information.	
	File: 3400-W5-196 Order: XG-W5-18-98	Application dated 13 February 1998; approved on 22 April 1998. Project MCM-23 - Upgrade Effluent Plant at McMahon Plan.	720,000
	File: 3400-W5-186 Order: XG-W5-25-98	Application dated 15 December 1997; approved on 29 April 1998. Project TN008 - Add casing pipe to existing casings at MP 31.8 on the Alberta Mainline and at MP 24.5 of the Boundary Mainline. Project TN009 - Upgrade road crossings in the Transmission North area. Project TC003 - Upgrade road crossings in the Transmission Central area. Project TS004 - Upgrade road crossings in the Transmission South area.	190,000
	File: 3400-W5-185 Order: XG-W5-26-98	Application dated 9 December 1997; approved on 20 April 1998. Project BS14-01 - Emergency Shut Down blowdown valve at the Siphon Station in the Fort St. John Field Services area.	90,000
	File: 3400-W5-186 Order: XG-W5-28-98	Application dated 15 December 1997; approved on 28 April 1998. Project TN014 - Replace the ground bed at Aitken Creek.	11,000
	File: 3400-W5-199 Order: XG-W5-30-98	Application dated 17 March 1998; approved on 19 May 1998. Project GV44 - Install producer taps in the Grizzly Valley Raw Gas Transmission System.	250,000
	File: 3400-W5-198 Order: XG-W5-33-98	Application dated 13 March 1998; approved on 11 June 1998. Project GV 15 - Pipe clean fuel to burner pilots. Project GV 19 - Emergency Generator replacement.	250,000
	File: 3400-W5-185 Order: XG-W5-36-98	Application dated 9 December 1997; approved on 28 May 1998. Fourteen projects.	1,033,000

Gas Pipelines

Applicants	File/Order Nos.	Application	Est. Cost
	File: 3400-W5-186 Order: XG-W5-37-98	Application dated 15 December 1997; approved on 29 May 1998. Project TS008 - Fence two crossover sites at Katz Indian Reserve and Loon Lake. Project TS009 - Install temperature transmitters on the ten Northwest Pipeline meter runs at Huntington. Project TN011 - Install an inlet scrubber at Compressor Station N4.	491,000
	File: 3400-W5-185 Order: XG-W5-38-98	Application dated 9 December 1997; approved on 2 June 1998. Project MCM-39 - Replace the existing Tank Farm MCC transformer at McMahon Plant.	109,000
	File: 3400-W5-186 Order: XG-W5-42-98	Application dated 15 December 1997; approved on 19 June 1998. Project TA005 - Tie-in three new sales taps near compressor Station 8A.	35,000
	File: 3400-W5-189 Order: XG-W5-43-98	Application dated 22 December 1997; approved on 19 June 1998. Project BS09-01 - Replace the generator at the Nig Station.	200,000
	File: 3400-W5-193 Decision Pending	Application dated 5 February 1998. Construct a 7.35-kilometre (4.57-mile) loop on the Fort Nelson Mainline.	13,100,000
	File: 3400-W5-198 Decision Pending	Application dated 13 March 1998. Project GV06 - Install a water effluent pond at the Pine River Gas Plant.	

Oil Pipelines

Applicants	File/Order Nos.	Application	Est. Cost
Interprovincial Pipe Line Inc.	File: 3400-J1-94 Order: XO-J1-13-98	Application dated 1 December 1997; approved on 20 May 1998. Eight projects.	9,958,800
	File: 3200-J1-4-1 Order: XO-J1-17-98	Applications dated 23 March and 4 May 1998; approved on 21 May 1998. Additional facilities to System Expansion Program Phase II.	N/A Part of the System Expansion Phase II costs which were previously approved
	File: 3400-J1-96 Order: XO-J1-18-98	Application dated 22 April 1998; approved on 22 May 1998. Install a composite sampler at the Sarnia Terminal.	115,700
	Files: 3400-J1-94 and 95 Order: XO-J1-19-98	Applications dated 1 December 1997 and 6 March 1998; approved on 5 June 1998. Project 19981147D002 - Hardisty connection, Wild Rose Pipeline. Project 19981147-D001 - Hardisty Lines 2 and 3 metering facilities.	20,640,000
	File: 3400-J1-94 Order: XO-J1-20-98	Application dated 1 December 1998; approved on 5 June 1998. Project 19981142A003 - Stress Corrosion Cracking Management Program - Investigate excavations. Project 19981021A001 - Line 2 remote sectionalizing valve at MP 742.	193,999
Montreal Pipe Line Limited	File: 3400-M3-14 Order: XO-M3-22-98	Application dated 26 February 1998; approved on 18 June 1998. Repair and reconditioning of leased tankage facilities in Montreal-East and install additional facilities at the same locations.	7,200,000
Trans Mountain Pipe Line Company Ltd.	File: 3400-T4-53 Order: XO-T4-12-98	Application dated 29 October 1997; approved on 3 April 1998. Project 8135 - Install a vapour oxidizer at the Westridge Crude Oil Loading Terminal. Project 8146 - Relocation of a septic field at the Edmonton office.	1,572,000
	File: 3400-T4-58 Order: XO-T4-15-98	Application dated 3 April 1998; approved on 3 June 1998. Project 8104 - Install a new mainline block valve at kilometre 995.	270,000
	File: 3400-T4-59 Decision Pending	Application dated 1 May 1998. Coldwater and Coquihalla Rivers remediation work.	2,305,000
Westspur Pipeline Company Inc.	File: 3400-W2-22 Order: XO-W2-14-98	Application dated 22 January 1998; approved on 2 April 1998. Nine projects.	1,450,000

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament. Over the course of its history, it has played an important role in the development of Canada's energy sector.

The Board's regulatory powers under the *National Energy Board Act* include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and designated interprovincial and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment, and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by the Ministry of Labour to administer Part II of the *Canada Labour Code*.

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as represented by the National Energy Board

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par l'Office national de l'énergie

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Regulatory Agenda

The period covered in this Regulatory Agenda is 1 July to 30 September 1998

Applications Considered by Public Hearing

Recent Hearing Decisions

1. *Renaissance Energy Ltd. (Renaissance) and TransCanada Gas Services (TCGS) - Natural Gas Export - GHW-1-98*

Letters of Decision issued on 10 July 1998.

The Board approved applications from Renaissance and TCGS to export natural gas for a period of 10 years commencing on 1 November 1998.

Renaissance is authorized to export, from Niagara Falls, Ontario, natural gas to Renaissance Energy (U.S.) Inc. to supply existing and new markets in the U.S. Northeast and Mid-Atlantic. The volumes to be exported are: Daily - 663 000 cubic metres (23.4 million cubic feet); Annually - 242.0 million cubic metres (8.5 billion cubic feet); Term - 2 421.0 million cubic metres (85.5 billion cubic feet). Renaissance will supply the natural gas from its own corporate supply pool within the province of Alberta.

TCGS is authorized to export, from East Hereford, Québec, natural gas to TransCanada Gas Services Inc. to supply markets in New England which consist of local distribution companies, industrials and power generators. The volumes to be exported are: Daily - 849 840 cubic metres (30.0 million

cubic feet); Annually - 311.0 million cubic metres (11.0 billion cubic feet); Term - 3 104.4 million cubic metres (109.6 billion cubic feet). The natural gas will be purchased from Signalta Resources Limited's supply within the province of Alberta.

The Board held a written hearing to consider the applications.

2. *AEC Suffield Gas Pipeline Inc. (AEC Suffield) - Natural Gas Pipeline - GH-2-98*

Reasons for Decision dated July 1998; issued on 30 July 1998.

The Board approved an application by AEC Suffield to construct approximately 114 kilometres (71 miles) of pipeline and associated control facilities which will begin near the southwestern corner of the Suffield Military Block in Alberta, extend along the southern end of the military block and then northeast to join TransCanada PipeLines Limited's system near Burstall, Saskatchewan. The AEC Suffield pipeline will have a design capacity of approximately 4.96 million cubic metres (175 million cubic feet) of natural gas per day. The estimated capital cost of the project is \$22.8 million with a planned in-service date of 1 November 1998.

The Board considered the application at a public hearing held in Calgary 25 and 26 May and 1 June 1998.

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PREFACE

The purpose of this quarterly agenda is to provide information on the Board's activities.

Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the National Energy Board Act, R.S.C. 1985, c.N-7, as amended.

"Our purpose is to make decisions that are fair, objective and respected."



3. *Trans Québec & Maritimes Pipeline Inc. (TQM) - Detailed Route - Portland Natural Gas Transmission System (PNGTS) Extension - MH-2-98*

Reasons for Decisions dated August 1998; issued on 14 August 1998.

The Board has decided that the detailed pipeline route proposed by TQM, for the PNGTS Extension in the United States, is the best possible detailed route for the pipeline and that TQM has committed to the most appropriate methods and timing of construction. The PNGTS Extension consists of the construction of natural gas pipeline and associated facilities from Lachenaie, Quebec to the Canada/U.S. border near East Hereford, Quebec.

The Board considered statements of opposition to the proposed TQM detailed route at public hearings held in Magog-Orford, Québec from 22 July to 3 August 1998 (10 days). The public hearings were held to "determine the best possible detailed route of the pipeline and the most appropriate methods and timing of constructing the pipeline".

In April 1998, the Board approved the general route for the PNGTS Expansion following a public hearing held in November and December 1997. In April 1998, TQM applied to the Board for approval of the Plans, Profile and Book of Reference respecting the detailed route for the PNGTS Extension.

The PNGTS Extension involves the construction of 213.2 kilometres (132.2 miles) of pipeline from Lachenaie to the Canada/U.S. border near East Hereford. It also involves the installation, for the first year of operation, of a 7.0 megawatt electric motor-driven compressor unit at Lachenaie and two meter stations, one at Waterloo and one at East Hereford. For the second year of operation, TQM will install an additional 3.2 megawatt electric motor-driven compressor unit at East Hereford and one gas aftercooler unit at Lachenaie. The estimated cost of the project is \$273.8 million and the planned in-service date is 1 November 1998.

Hearing Decisions Pending

1. *Alliance Pipeline Ltd. (Alliance) - Natural Gas Pipeline - GH-3-97*

The Board held a public hearing between 6 January 1998 and 21 May 1998 (77 hearing days total) to consider an application by Alliance Pipeline Ltd. for (i) a certificate of public convenience and necessity to construct and operate the Canadian portion of a proposed natural gas pipeline system from northeastern British Columbia and northwestern Alberta to the midwest United States and (ii) related toll and tariff authorizations. The hearing was also used as a forum for public participation in the comprehensive study of the project required under the Canadian Environmental Assessment Act.

This followed a six day pre-hearing conference which the Board held in November 1997 to consider a number of preliminary motions which had been filed in relation to the application.

The public hearing was centred in Calgary with regional sessions also held in Fort St. John, British Columbia, Edmonton, Alberta, and Regina, Saskatchewan to facilitate participation by persons living in the areas along the proposed pipeline route and regional interest groups.

On 2 October 1998, the Board (in conjunction with other Responsible Authorities) announced that a Comprehensive Study Report for the Alliance Pipeline Project had been submitted to the federal Minister of Environment and the Canadian Environmental Assessment Agency. The three Responsible Authorities (the National Energy Board, Fisheries and Oceans Canada, and the Prairie Farm Rehabilitation Administration) concluded that the project is not likely to cause significant adverse environmental effects, provided that the mitigative measures and undertakings committed to during the hearing are implemented by Alliance together with the set of 41 recommendations contained in the report.

The Agency has since invited public comment on the report, with submissions due 3 November 1998. Following the receipt of comments, the Minister of Environment will recommend a course of action in respect of the environmental assessment of the project. The Board's decision on Alliance's certificate application is reserved pending this determination.

The Canadian portion of the pipeline system would consist of (i) approximately 1 565 kilometres (970 miles) of mainline and related facilities from a point near Gordondale, Alberta to a point on the Canada/United States border near Elmore, Saskatchewan and (ii) approximately 770 kilometres (480 miles) of lateral pipelines and related facilities in British Columbia and Alberta. The mainline would be principally 914 millimetres (36 inches) in diameter and the laterals would range in size from 114 to 610 millimetres (4 to 24 inches). There would be seven mainline compressor stations and 26 lateral compressor stations.

The pipeline is proposed to commence service in the second half of the year 2000 and would be capable of delivering 37.5 million cubic metres (1.325 billion cubic feet) of natural gas per day. The estimated cost of the Canadian-based facilities is \$2 billion.

2. *Souris Valley Pipeline Limited (SVPL) - Carbon Dioxide Pipeline - MH-1-98*

The Board held a public hearing on 4 May 1998 in Regina on an application by SVPL to construct a carbon dioxide transmission pipeline in southeastern Saskatchewan.

SVPL applied to construct approximately 61 kilometres (38 miles) of pipeline extending from a point at the international

boundary approximately 25 kilometres (16 miles) southwest of Estevan, Saskatchewan to a terminus approximately 3.2 kilometres (two miles) northeast of Goodwater, Saskatchewan. The pipeline will be used to transport carbon dioxide from the proposed Dakota Gasification Company Pipeline Project (DCG) in North Dakota to the existing Weyburn oil field.

DCG, Souris' parent corporation and operator of the pipeline, has signed an agreement with PanCanadian Petroleum Limited to provide 2.7 million cubic metres (95 million cubic feet) of carbon dioxide per day to the Weyburn oil field near Goodwater, commencing December 1999. The carbon dioxide will be used for implementation of the Weyburn Miscible Flood Project, a separate downstream project expected to extend the life of the existing oilfield by 25 years. The estimated capital cost of the project is \$13.67 million and the planned in-service date is December 1999.

3. *Maritimes & Northeast Pipeline Management Ltd.'s (M&NP) - Detailed Route Hearings - Pipeline Project in the Maritimes - MH-3-98*

The Board held public hearings from 23 July to 11 August 1998 (11 days) in Fredericton and Moncton, New Brunswick and Stellerton and Halifax, Nova Scotia on written statements of opposition it had received to the proposed detailed route of M&NP's natural gas pipeline from Goldboro, Nova Scotia to St. Stephen, New Brunswick.

In December 1997, the Board approved the general route for the M&NP pipeline following a public hearing held from 4 April to 16 July 1997 in Nova Scotia and New Brunswick. In February 1998, M&NP applied to the Board for approval of the Plans, Profiles and Books of Reference respecting the detailed route for the maritime pipeline.

MN&P facilities will transport natural gas via an onshore pipeline to markets in the Maritimes and northeast United States. The facilities will consist of a 558-kilometre (347-mile) pipeline from the Goldboro gas plant through Nova Scotia and New Brunswick to the international border near St. Stephen, New Brunswick.

4. *Sable Offshore Energy Inc. (SOEI) - Detailed Route Hearings - MH-3-98*

The Board held public hearings on 11 and 12 August 1998 in Halifax, Nova Scotia on written statements of opposition it had received to the proposed detailed route of a natural gas pipeline to be constructed by SOEI.

The SOEI facilities would include a 200-kilometre (124-mile) offshore submarine pipeline which would connect the Thebaud platform near Sable Island to a landfall point approximately three kilometres to the southeast of the Village of Goldboro, Nova Scotia. From the landfall, SOEI proposes to construct a 1.5-kilometre onshore pipeline to

the boundary of a proposed gas plant site. The statements of opposition dealt with the onshore pipeline.

Hearings Scheduled

1. *TransCanada PipeLines Limited (TCPL) - 1999 Facilities - GH-3-98*

The Board will hold a public hearing commencing on 5 October 1998 in Calgary on an application by TCPL to construct new pipeline and compression facilities on its mainline transmission system.

TransCanada applied to construct approximately 156.1 kilometres (97 miles) of new pipeline loop and add four compressor units and associated facilities. In conjunction with a proposed "Alternative Mechanism" for meeting requirements, the applied-for facilities would be used to provide a net increase of approximately 3.79 million cubic metres (133.7 million cubic feet) per day of firm transportation service to customers in eastern Canada and the U.S. midwest and northeast by 1 November 1999. The estimated cost of the facilities is \$402.9 million.

2. *Maritimes and Northeast Pipeline Management Ltd (M&NP) - Point Tupper Lateral - GH-4-98*

The Board will hold a public hearing commencing on 23 November 1998 in Nova Scotia, at a location to be announced at a later date, on an application from M&NP to build and operate a natural gas lateral pipeline to Point Tupper, Nova Scotia. The project is designed to take natural gas from the company's main transmission pipeline to Point Tupper from a point near Goldboro, Nova Scotia.

The project will consist of approximately 59 kilometres (37 miles) of pipeline and associated facilities. Approximately 55 kilometres (34 miles) of pipeline will take gas from the Sable Offshore Energy Inc. (SOEI) gas processing plant to a delivery point at the SOEI fractionation plant in Point Tupper and a further four kilometres (2.5 miles) of 168.3 millimetre (six inch) pipeline will take gas to two other delivery points in the Point Tupper area.

The estimated cost of the project is \$21 million and the planned in-service date is 1 November 1999.

3. *Vector Pipeline Limited Partnership (Vector) - Pipeline Construction- GH-5-98*

The Board will hold a public hearing commencing on 18 January 1999, at a location in Ontario to be announced at a later date, on an application from Vector to construct and operate a natural gas pipeline in southwestern Ontario.

The Canadian portion of the pipeline will consist of 24 kilometres (15 miles) of natural gas pipeline extending from a point along the International Boundary in the St. Clair River near Sarnia, Ontario to a point near Dawn, Ontario. At

Dawn, shippers may access other existing and proposed new pipeline facilities which provide access to markets and storage facilities in eastern Canada and the northeastern region of the United States. The Vector Pipeline is proposed to have an initial capacity of 28.3 million cubic metres (one billion cubic feet) of natural gas per day. The estimated cost of the project is \$35.4 million.

The Vector Pipeline is planned to interconnect upstream in the United States with existing and proposed transmission facilities of Northern Border Pipeline Company, Alliance Pipeline Ltd. and Michigan Consolidated Gas Company. In Canada, a downstream connection with facilities owned by Union Gas Limited is planned.

Hearings Postponed

1. Mr. Robert A. Milne, 3336101 Ontario Limited, c.o.b. as Milne Crushing & Screening - MH-1-97

For more information on this matter, refer to item 1 under *Hearings Postponed* in issue No. 62 of the *Regulatory Agenda* dated 1 October 1997.

2. TransCanada PipeLines Limited - Contract Renewal Rights and Expansion Policy Requirements - RH-3-97

For more information on this matter, refer to item 2 under *Hearings Postponed* in issue No. 62 of the *Regulatory Agenda* dated 1 October 1997.

Hearing Application Suspended

1. Crowsnest Pipeline Project (CNP) - Natural Gas Pipeline

For more information on this matter, refer to item 1 under *Hearing Applications, Hearing Application Suspended* of issue No. 63 of the *Regulatory Agenda* dated 1 January 1998.

Hearing Applications Filed

1. North Atlantic Pipeline Inc. (North Atlantic) - Underwater Natural Gas Pipeline

On 11 September 1998, the Board approved a request dated 30 June 1998 from North Atlantic requesting that the Board hold its application in abeyance.

North Atlantic, by application dated 10 October 1997, is proposing to construct its pipeline in three phases. The first phase would commence at the proposed Sable Offshore Energy Project facilities in Country Harbour, Nova Scotia, and is designed to initially transport Sable Island gas to markets in Halifax, Nova Scotia and to facilities owned by North Atlantic (U.S.) for delivery to other North American markets from a point at Seabrook, Maine. The expected in-service date is 1 November 1999.

The second phase of the project would consist of the facilities required to transport natural gas produced from the Jeanne D'Arc Basin on the Grand Banks of Newfoundland, to Argentina, Newfoundland to serve the Newfoundland market.

The third phase of the project would involve construction of a pipeline from Argentina to Country Harbour, to allow Grand Banks gas and gas developed in the future in the Laurentian sub basin, to access markets in the Maritimes provinces, the United States and central Canada.

The estimated costs of the project is \$3.85 billion.

2. Maritimes & Northeast Pipeline Management Ltd. (M&NP) - Halifax and Saint John Pipeline Laterals

On 5 June 1998, M&NP, on behalf of Maritimes & Northeast Pipeline Limited Partnership, filed applications for approval to construct natural gas pipeline laterals to Halifax, Nova Scotia and Saint John, New Brunswick.

For the Halifax lateral, M&NP applied to construct 121 kilometres (75 miles) of pipeline and associated facilities from its mainline near Stellerton, Nova Scotia to Nova Scotia Power's Tufts Cove generation station. The current volume of natural gas requested for transportation on the proposed lateral is approximately 1.7 million cubic metres (60.0 million cubic feet) per day. The estimated cost of the project is \$74 million and the proposed in-service date is 1 November 1999.

On 11 March 1998 the Board initiated the scoping of the environmental assessment that is required under the Canadian Environmental Assessment Act for the Halifax Lateral. The Board sought comments from the public on the draft scope for the environmental assessments to be conducted by M&NP. The draft scope was developed in consultation with other federal departments and agencies. The scoping exercise is intended to provide a framework for M&NP environmental assessment and involves a determination of the scope of the project, the factors to be assessed, and the scope of those factors. On 27 May 1998, the Board released its decision on the scoping.

For the Saint John lateral, M&NP applied to construct approximately 102 kilometres (63 miles) of pipeline and associated facilities from its mainline near Big Kedron Lake, New Brunswick to the City of Saint John. M&NP also proposes to construct approximately 8 kilometres (5 miles) of pipeline and associated facilities from a point on the lateral to the Lake Utopia area. The current volume of natural gas requested for transportation on the lateral is approximately 3.7 million cubic metres (130.6 million cubic feet) per day. The estimated cost of the project is \$91 million and the proposed in-service date is 1 November 1999.

On 21 August 1998 the Board initiated the scoping of the environmental assessment that is required under the Canadian Environmental Assessment Act for the Saint John

Lateral. The Board sought comments from the public on the draft scope for the environmental assessments to be conducted by M&NP. The draft scope was developed in consultation with other federal departments and agencies. The scoping exercises are intended to provide a framework for M&NP environmental assessment and involves a determination of the scope of the project, the factors to be assessed, and the scope of those factors.

Hearing Application to be Filed

1. *St. Clair Pipelines (1996) Ltd. (St. Clair) - TransCanada PipeLines Limited (TCPL) - Pipeline Projects in Ontario*

The Board has initiated the scoping of the environmental assessment that will be required under the Canadian Environmental Assessment Act in respect of two proposed natural gas pipeline project applications by St. Clair and TCPL in southwestern Ontario.

The Board has requested comments from the public on a draft scope of environmental assessment for the projects. The draft scope has been developed in consultation with other federal departments and agencies.

The scoping exercise is intended to provide a framework for the environmental assessment of the two projects and involves a determination of the scope of them, the factors to be assessed and the scope of those factors.

On 23 and 26 September 1997, TCPL and St. Clair, respectively, filed Notices of Intention to File and Request for Initiation of the Scoping Process for an Environmental Assessment in which they requested that the Board, along with the Canadian Environmental Assessment Agency, initiate an environmental scoping process for their proposals.

St. Clair advised the Board that it intends to file an application to construct an 85-kilometre (52.7-mile) natural gas pipeline from the Union Gas Limited Dawn Compressor Station near Dawn, Ontario to the shore of Lake Erie, near Port Stanley, Ontario. Referred to as the "Dawn to Lake Erie Pipeline", the pipeline will connect with the proposed Lake Erie crossing to be constructed and operated by TransCanada PipeLines Limited, which will in turn connect with the proposed Millennium Pipeline Project at the Canada/U.S. border in Lake Erie. TCPL advised the Board that the entire Lake Erie crossing would be 135-kilometre (83.7-mile) from shore-to-shore.

In its September 1997 submission, TransCanada's proposal had also included the construction of a natural gas pipeline from the Michigan/Ontario border crossing the St. Clair River near Courtright, Ontario and running parallel to the existing TransCanada easement to Dawn, Ontario. In March 1998, TransCanada advised the Board that it no longer anticipated the immediate need to construct these facilities.

Other Applications

The Board had, or has, before it a number of applications and other matters that do not require public hearings. Since the 1 July 1998 issue of the Regulatory Agenda, the matters below have been or are being considered by the Board.

NATURAL GAS MATTERS

Matters Completed

1. *Canadian-Montana Pipe Line Company (CMPL) - Revocation of Natural Gas Export Licence GL-184*

On 23 September 1998, the Board approved a request dated 10 September 1998 from CMPL to revoke Licence GL-184. As a result of some major changes to CMPL's parent company, Montana Power Company, the gas purchase and sales agreements between the two companies are no longer in effect.

2. *Coral Energy Canada Inc. and Saranac Power Partners, L.P. (Joint Applicants) - Natural Gas Export Licence GL-197 - Contract Amendments*

On 17 September 1998, the Board approved an application dated 17 August 1998 from the Joint Applicants for approval of a Gas Remarketing Agreement dated 29 May 1997. Under

gas export Licence GL-197, natural gas is exported to fuel the cogeneration plant of Saranac Power Partners, L.P. in New York State. The Gas Remarketing Agreement will enable the Parties to capture additional revenue opportunities created by the fluctuations between the price of natural gas and electrical power.

3. *Coral Energy Canada Inc. (Coral) - Natural Gas Export Licence GL-100 - Contract Amendments*

On 30 September 1998, the Board approved an application dated 11 September 1998 by Coral for approval of a Contract Amendment dated 21 August 1998 between Coral and Granite State. The contract changes amends the pricing provision of the gas sales contract with respect to the portion of natural gas exported at the Highwater, Quebec export point under Licence GL-100.

4. *Direct Energy Marketing Limited (Direct Energy) Amendment to Natural Gas Export Licence GL-188*

On 30 September 1998, the Board approved an application dated 25 August 1998 from Direct Energy to amend natural gas export Licence GL-188 to change the export point from Highwater, Quebec to East Hereford, Quebec. Under Licence GL-188, Direct Energy exports natural gas to Consolidated

Fuels Company to fuel the cogeneration plant of Arrowhead Cogeneration Company Limited Partnership at East Georgia, Vermont.

5. *Indeck-Yerkes Limited Partnership (Indeck) - Amendment to Natural Gas Export Licence GL-215*

On 27 August 1998, the Board approved an application dated 7 August 1998 from Indeck to amend natural gas export Licence GL-215 to reduce the volume authorized for export under the Licence. Under the Licence, Indeck is authorized to export natural gas to fuel a cogeneration plant in Tonawanda, New York.

6. *Indeck-Oswego Limited Partnership - Revoke Natural Gas Export Licence GL-216*

On 26 August 1998, the Board approved an application dated 7 August 1998 from Indeck to revoke natural gas export Licence GL-216. Under Licence GL-216, Indeck was authorized to export natural gas to fuel a cogeneration plant near the Town of Oswego, New York.

7. *Selkirk Cogen Partners, L.P. (Selkirk) - Natural Gas Export Licence GL-157 - Contract Amendments*

On 7 July 1998, the Board approved an application dated 26 June 1998 from Selkirk for approval of amendments to the Gas Purchase Contract dated 15 December 1989 with Paramount Resources Ltd. The approval amends the gas pricing and supply provisions in the Gas Purchase Contract. Under Licence GL-157, Selkirk exports natural gas to fuel a combined-cycle cogeneration facility at Selkirk, New York.

Matter Under Consideration

8. *Engage Energy Canada, L.P. (Engage) - Transfer of Several Gas Export Licences*

On 7 May 1997, Engage applied for approval to transfer Licences GL-187, GL-221, GL-222, GL-223, GL-224, GL-225, GL-226 and GL-227 from Westcoast Gas Services Inc. to Engage Energy Canada, L.P.

On 4 March 1998, Engage requested to extend the time necessary to complete certain third party Consents to Assignment supporting the application. On 11 March 1998, the Board confirmed that it will hold Engage's application in abeyance.

ELECTRICITY MATTERS

Matters Completed

1. *Citizens Power Sales (CPS) - Electricity Export Permits*

On 25 June 1998, the Board approved an application dated 1 May 1998 from CPS for two electricity permits to export up to 500 megawatts of power and up to 2 592 gigawatt

hours annually of either firm or interruptible energy to the United States for periods of ten years.

2. *Nova Scotia Power Inc. (NS Power) - Electricity Export Permits*

On 10 July 1998, the Board approved an application dated 16 April 1998 from NS Power for electricity permits to export up to 1 000 megawatts of power and up to 1 200 gigawatt hours annually of either firm or interruptible energy to the United States for periods of ten years.

3. *British Columbia Power Exchange Corporation (Powerex) - Electricity Export Permits*

On 1 October 1998, the Board approved an application dated 3 February 1998 from Powerex for four permits to export electricity for periods of ten years. Powerex is authorized to export from over all international power lines between Canada and the United States. The annual quantities of firm energy to be exported would not exceed 15 000 gigawatt hours for British Columbia export points and 20 000 gigawatt hours for other export points. The annual quantities of interruptible energy, less any firm exports actually made, to be exported would not exceed 27 000 gigawatt hours for British Columbia export points and 40 000 gigawatt hours for other Canadian export points.

These new permits replaces permits EPE-41, EPE-42, EPE-43 and EPE-44 which are held jointly with B.C. Hydro and Power Authority. B.C. Hydro has made a separate application for permits for its own export-related activities (see item 4 below).

Matters Under Consideration

4. *B.C. Hydro and Power Authority (BC Hydro) - Electricity Export Permits*

On 6 July 1998, BC Hydro applied for electricity permits to export on a firm and interruptible basis for storage and exchange transfers of up to 6 000 gigawatt hours for each type of transfer. B.C. Hydro also requested electricity permits to export on a firm and interruptible basis for carrier and adjustment transfers of up to 28 800 gigawatt hours and 5 000 gigawatt hours, respectively. The term requested for each of the four permits is 20 years.

5. *Canadian Niagara Power Company, Limited (CNPCL) - Power Line*

On 8 September 1998, CNPCL applied for authorization to rehabilitate and operate an international power line. One circuit of the line would be a 115 000 volt circuit operating at 60 hertz; the other would have nominal voltage of 40 600 operating at 25 hertz. The line would extend a distance of approximately four kilometres from CNPCL's Station 18 located at Fort Erie, Ontario to a point on the international boundary on the Niagara River. The 115 000 volt circuit will

be constructed in accordance with the terms of a contract between CNCPL and Niagara Mohawk Power Corporation executed on 25 March 1998.

6. Cominco Ltd. - Electricity Export Permits

On 1 October 1998, Cominco applied for four electricity permits to export as follows:

- (a) carrier transfer for wheeling through the United States up to a maximum of 50 gigawatt hours in any consecutive 12-month period;
- (b) interruptible and firm transfers for sale, equichange, storage and adjustment up to a maximum of 1 000 gigawatt hours in any consecutive 12-month period;
- (c) miscellaneous firm equichange up to a maximum of 250 gigawatt hours in any consecutive 12-month period; and
- (d) unscheduled circulating flow with simultaneous return to Canada, up to a maximum of 1 000 gigawatt hours in any consecutive 12-month period;

for the period 1 January 1999 to 31 December 2003.

7. HQ Energy Marketing Inc. (HQ Energy) - Electricity Export Permits

On 23 June 1998 HQ Energy applied for an electricity permit to export up to 6 000 megawatts of firm and interruptible power per year, and a maximum of 30 terawatt hours of firm energy and a maximum of 30 terawatt-hours of interruptible energy per year, for a period of 20 years commencing on 1 November 1998.

8. Manitoba Hydro-Electric Board - Electricity Export Permit

On 18 September 1998 Manitoba Hydro applied for an electricity permit as a Border Accommodation to export up to 3 megawatts of power and up to 26 780 megawatt hours annually of firm energy to the United States, for the period 1 October 1999 to 30 September 2004.

PIPELINE MATTERS

Matters Completed

1. Safety Audit Report

On 10 August and 1 October 1998, the Board adopted the Safety Management Audit to Verify Compliance with respect to the Onshore Pipeline Regulations for Renaissance Energy Ltd. and Cochin Pipeline Joint Venture, respectively.

2. AEC West, a business unit of AEC Oil and Gas Partnership as Agent for Alberta Energy Company Ltd. (AEC West) - Pipeline Construction

On 17 September 1998, the Board approved an application dated 22 December 1997, as amended, from AEC West for the construction of sour and fuel gas pipelines south of Dawson Creek, British Columbia between wellsite A-29-/93-P-9 in British Columbia and wellsite 15-31-74-13 W6M in Alberta. The pipelines are approximately 23 kilometres (16 miles) in length and consist of a sour gas line and a fuel gas line to be laid in the same ditch. The estimated cost of the project is \$5,054,000.

3. Maritimes & Northeast Pipeline Management Ltd. (M&NP) - Certificate GC-95 - Winter Construction

On 24 August 1998, M&NP withdrew its application dated 15 May 1998 for approval of a schedule change to Certificate GC-95 to permit the option of beginning construction and installation on approximately 200 kilometres (120 miles) of pipeline during the winter rather than the summer as contemplated in Certificate GC-95. Certificate GC-95 authorizes M&NP to construct 558 kilometres (347 miles) of pipeline from a gas plant in Goldboro, Nova Scotia to the international border near St. Stephen, New Brunswick. The pipeline will transport natural gas from Sable Island.

M&NP had proposed winter construction from kilometre post 181 to kilometre post 333 which covers Nova Scotia and New Brunswick wet areas adjacent to the Tantramar Marsh and related waterways and from kilometre post 450 to kilometre post 500 within Sunbury County, New Brunswick.

4. Wascana Energy Inc. (Wascana) - Samson Canada, Ltd. (Samson) - Pesh - Petitot Gas Gathering Pipeline - Transfer of Ownership

On 20 July 1998, the Board approved an application dated 1 May 1998 from Wascana to sell to Samson a gas gathering pipeline from well-site a-16/194-P-8 located in British Columbia to Wascana's Gas Gathering Facility located at LSD 13-08-121-11 W6M.

5. Section 58 Applications

The Board has approved or is considering several applications under section 58 of the NEB Act involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. These matters may be considered by the Board without a public hearing. See Appendix III for a description of the applications approved or under consideration.

Matters Under Consideration

6. *CML Resources Ltd. (CML) and Renaissance Energy Ltd. (Renaissance) - Sale and Purchase of an Interprovincial Polyethylene Fuel Gas Pipeline*

On 21 November 1996, CML applied for approval to sell and Renaissance applied for approval to purchase an interprovincial polyethylene fuel gas pipeline. The pipeline, originally owned by Koch Exploration, extends for 200 metres (656 feet) crossing the Alberta/Saskatchewan border.

On 9 January 1997, the Board sent a letter to Renaissance requesting additional information.

7. *CXY Energy Marketing (CXY) - Pipeline Construction*

On 7 July 1998, CXY applied for approval to construct a 37-kilometre (23-mile) pipeline, known as the Hay Pipeline, to deliver oil emulsion from Wascana Energy Inc.'s Hay oil field in British Columbia to a Husky Oil Operations Ltd. field facility in Alberta. The Hay pipeline would have a design capacity of 1 900 cubic metres per day with an initial throughput of 1 200 cubic metres per day (1 000 cubic metres of oil and 200 cubic metres of water). The estimated cost of the facility is \$6 million.

On 12 August 1998, the Board sent a letter to CXY requesting additional information.

8. *Novagas Canada Pipelines Ltd. (NCPL) - Taylor to Boundary Lake Liquids Pipeline*

On 3 July 1998, the Board approved an application dated 9 April 1998 from NCPL to: (i) acquire from Nevis Ltd. certain pipeline facilities which are identified as the Boundary Lake and Taylor pipelines; (ii) construct necessary interconnections between the existing Nevis pipelines and the portion of pipeline that has already been constructed under Certificate OC-43 (17 kilometres); (iii) relocate the NCPL pump station; and, (iv) upgrade the existing valves and install new ones.

NCPL also applied to change the service fluid in the existing Boundary Lake and Taylor pipelines from oil to high vapour pressure products. The Board will consider this part of the application when it deals with the leave to open application.

On 11 August 1997, the Board issued Certificate OC-43 to Novagas Clearinghouse Pipelines Ltd., now NCPL, to construct approximately 58 kilometres (35 miles) of natural gas liquids high vapour pressure pipeline with associated pumping and metering facilities from the Solex Developments Company Inc. straddle plant at Taylor, British Columbia to a NCPL metering facility in Alberta. The facilities will enable natural gas liquids including ethane, butane and condensate to be delivered to fractionation facilities in Alberta and subsequently delivered to markets. Since the issuance of Certificate OC-43 there have been new developments that have resulted, among other things, the proposed NCPL

Taylor Straddle Plant not being constructed and the existing Younger Straddle Plant being expanded instead.

On 11 August 1998, NCPL applied for approval of leave to open the Taylor and Boundary Lake pipelines. On 27 August 1998, the Board sent a letter to NCPL advising the Company that the Board was not satisfied that the pipelines can be safely opened for the transmission of high vapour pressure products, and that before the Board considers NCPL's leave to open application, the Company has to do an in depth engineering assessment on the lines. On 4 September 1998, NCPL withdrew its application for leave to open and on 17 September 1998, the Company advised the Board that it no longer intends to use the existing Taylor pipeline to transport natural gas liquids from the Younger Straddle Plant to the pump station. On 1 October 1998, NCPL filed the results of the engineering assessment and a leave to open application for the Boundary Lake line.

9. *Western & Pacific Pipelines Ltd. (W&P) - as Agent for Pipestone Pipelines Ltd. (Pipestone) - Pipeline Construction*

On 15 July 1998, W&P filed, on behalf of Pipestone, an application to construct a 33-kilometre (20-mile) crude oil pipeline linking Wapella Pipelines Ltd. near Moosomin, Saskatchewan to Wapella Pipelines Manitoba Inc. near Elkhorn, Manitoba. Collectively, the three pipelines would comprise the proposed Wapella Pipeline System and terminate at Comer, Manitoba for delivery in the Interprovincial Pipe Line Inc.'s system. The estimated cost of the Pipestone facilities is \$2.9 million.

TRAFFIC, TOLLS AND TARIFF MATTERS

Matters Completed

1. *TransCanada PipeLines Limited (TCPL) - Reports of the 1998.a Tolls Task Force*

TCPL applied for approval of several resolutions as contained in the above-noted reports.

The Board approved the following:

Resolution	Date Approved	Subject
01-98	17 Feb. 1998	FST differential calculation/Level for 1999 and Beyond
02-98	17 Feb. 1998	Tariff update: General Terms and conditions
03-98	17 Feb. 1998	Extension of Foreign Exchange Management Program
04-98	25 Feb. 1998	Elimination of single hand shake service

05-98	23 Mar. 1998	Extension of the Pilot Parking and Loan Service
06-98	23 Mar. 1998	Enhanced Pipeline Maintenance Program (1998)
07-98	14 Jul. 1998	Role of a facilitator
08-98	14 Jul. 1998	Addition to receipt and delivery points
09-98	14 Jul. 1998	Tolling conversion to energy
10-98	11 Aug. 1998	Tariff modifications for energy conversion
11-98	24 Aug. 1998	Balancing Pilot Service made permanent
12-98	25 Sept. 1998	1998 Toll Application Agreement
13-98	16 Sept. 1998	Offer Enhanced Capacity Release 365 days a year

2. TransCanada PipeLines Limited (TCPL) - 1998 Tolls

On 25 September 1998, the Board approved an applications dated 23 March 1998, as revised, from TransCanada for approval of final tolls that it may charge for the period 1 September to 31 December 1998 for the transportation of natural gas to markets in Canada and the United States. TCPL had been operating on interim tolls since 1 January 1998.

The Board approved TransCanada's Net Revenue Requirement of \$1,888,281,563 for its mainline operations. TCPL forecasted an overall Rate of Return of 9.46 per cent, compared with 9.85 per cent that was approved for 1997. This includes a Rate of Return on Common Equity of 10.21 per cent approved for 1998, as per the adjustment mechanism approved in the Multi-Pipeline Cost of Capital Decision (RH-2-94), a decrease from the 1997 rate of 10.67 per cent. TCPL's deemed Common Equity Ratio remains at 30 per cent.

Matters Under Consideration

3. BC Gas Utility (BC Gas) - Service on Westcoast Energy Inc. (WEI)

On 14 July 1998, BC Gas applied for orders to: (i) require WEI to receive, transport and deliver gas from Kingsvale to Huntingdon, British Columbia; (ii) require WEI to install adequate and suitable facilities to receive gas at Kingsvale and to transport and deliver gas at Huntingdon; and, (iii) prescribe terms and conditions, including tolls, for the transportation of natural gas by WEI over the Kingsvale to Huntingdon portion of its Zone 4 pipeline. BC Gas also suggested that the Board establish a similar point-to-point toll from WEI's Station 2 to Kingsvale interconnection to allow shippers to use the bi-directional capability at Kingsvale to ship gas to downstream markets.

On 2 October 1998, the Board advised BC Gas that the part of the application requesting orders to require WEI to receive, transport and deliver gas and to install adequate and suitable facilities to receive gas is not presently ripe for consideration. However, the Board decided to seek the comments of interested parties on the efficacy of a separate process to consider the toll methodology issues related to the Kingsvale to Huntingdon export point and the Station 2 to Kingsvale interconnects. The Board also sent a request for additional information to BC Gas on the toll aspect of the application.

4. PanCanadian Petroleum Limited - Request for Condensate Transportation

For further information on this matter, refer to item 4 under Traffic, Tolls and Tariff Matters, Matters Under Consideration of issue No. 62 of the Regulatory Agenda dated 1 October 1997.

FRONTIER MATTERS

1. Frontier activities for the third quarter of 1998

- (a) Approval was given to Imperial Oil Resources Ltd. for the following activities at Norman Wells:
 - (i) to install and operate a temporary flowline on Bear Island pursuant to subsection 5.1(b) of the *Canada Oil and Gas Operations Act* on 30-09-98.
 - (ii) "Authority to Drill a Well" pursuant to section 83 of the *Canada Oil and Gas Drilling Regulations* to deepen the well Imperial Goose Island M-15X, on 21-08-98.
 - (iii) "Drilling Program Approval" pursuant to section 11 of the *Canada Oil and Gas Drilling Regulations*, to conduct a drilling program in the Norman Wells region on 15-09-98.
- (b) Approval was given to Paramount Resources Ltd. for the following:
 - (i) well name changes pursuant to section 221 of the *Canada Oil and Gas Drilling Regulations* for the following wells on 23-07-98:

Paramount et al Netla M-23 to Paramount Berkley Netla M-23

Paramount et al Arrowhead N-65 to Paramount Berkley Arrowhead N-65

Paramount et al Arrowhead O-15 to Paramount Berkley Arrowhead O-15
- (c) Approval was given to Anderson Oil & Gas Inc. for the following:
 - (i) "Well Termination Record" pursuant to section 184 of the *Canada Oil and Gas Drilling Regulations* was

issued for Columbia et al Kotaneelee YT B-38 (31 August 1998);

(d) Approval was given to Northern Cross (Yukon) Limited for the following:

(i) "Well Termination Records" pursuant to section 184 of the *Canada Oil and Gas Drilling Regulations* were issued for:

Socony Mobil WM Chance YT G-08 22-07-98

Canoe River Chance YT J-19 22-07-98

Western Minerals Chance YT M-08 22-07-98

(e) Five new applications for geological, geophysical or geotechnical operation authorization were received and

one application for an amendment to a previously authorized operation was received but withdrawn prior to authorization. Five applications were approved pursuant to section 5 of the *Canada Oil and Gas Operations Act* as follows:

Company	Area	Date
BFR Geophysical	Ft. Liard, NWT	07-07-98
BFR Geophysical	Liard, Yukon (Withdrawn)	19-08-98
Chevron Resources	Franklin Mountains, NWT	25-07-98
Corridor Resources	Gulf of St. Lawrence	28-07-98

The remaining application is being reviewed.

Appeals and Review

Appeals Pending

1. *Alberta Department of Energy (ADOE) - Northstar Energy Corporation (NEC) - GH-1-98*

On 25 May 1998, the ADOE applied to the Federal Court of Appeal for leave to appeal a ruling of the Board dated 24 April 1998 in which it dismissed a motion by the ADOE challenging the Board's jurisdiction to hear an application by NEC to construct a pipeline on the grounds that the NEC application involved a local work and undertaking, rather than an extraprovincial work and undertaking.

The ADOE also applied to the Board for a Stay of Execution of the Board's Decision GH-1-98. On 4 June 1998, the Board denied the application for a Stay of Execution. Subsequent to the Board's dismissal of the stay application, ADOE, on 24 June 1998, filed with the Federal Court of Appeal an application for leave to appeal the Board's decision dated 24 April 1998.

The Federal Court granted the leave to appeal and stayed the Board's GH-1-98 Decision.

2. *Canadian Hunter Exploration Ltd. (CHEL) - Tidal Resources Inc.*

On 22 August 1996, CHEL filed with the Federal Court of Appeal an application for leave to appeal the Board's decision of 25 July 1996 in which it decided, as a result of the approval of Tidal Resources Inc.'s application to construct a pipeline, that it had jurisdiction over certain upstream gathering facilities located within the province of British Columbia which are owned and operated by Canadian Hunter.

The Court granted the leave to appeal application. On 14 October 1997, CHEL served the Board with its Memorandum of Points of Argument.

3. *Hydro-Québec - Access to Export Contract*

On 23 September 1996, Hydro-Québec filed a Notice of Motion with the Federal Court, Trial Division to review the Board's decision of 4 September 1996, pursuant to section 44(1) of the Access to Information Act, in which the Board decided that a copy of a firm diversity contract between Hydro-Québec and Consolidated Edison would be made available to Mouvement Au Courant as requested.

Pursuant to a preliminary motion, the Court held that it was appropriately seized of the matter via the Access to Information Act.

4. *The Industrial Cape Breton Community Alliance Group (Alliance) on the Sable Gas Project*

On 25 November 1997, the Alliance filed an Originating Notice of Motion with the Federal Court of Canada, Trial Division for the purpose of having the Joint Public Review Panel Report dated 27 October 1997, and the Report of the Commissioner for the Canada-Nova Scotia Offshore Petroleum Board dated 27 October 1997, reviewed, set aside and referred back to the Joint Panel and the Commissioner and that they direct Sable Offshore Energy Project to file a socio-economic impact study incorporating an economic cost-benefit analysis and the environmental effects of the project on Cape Breton. On the same date, the Alliance filed a similar Originating Notice of Motion with the Federal Court of Appeal.

On 13 January 1998, the Federal Court Trial Division heard a motion from the Cape Breton Alliance to add the Governor in Council, the Federal and Nova Scotia Environment Ministers, the National Energy Board and the Canada-Nova Scotia Offshore Petroleum Board as respondents in the judicial review. The Court adjourned the case sine die to permit the Alliance to review the written submissions filed by the

Sable Offshore Energy Project and Maritime & Northeast Pipeline Management Ltd.

5. Union Gas Limited (Union) - Trans Quebec & Maritimes Pipeline Inc. (TQM) - PNGTS Extension - GH-1-97

On 4 May 1998, Union applied to the Federal Court of Appeal for a judicial review of the Board's Reasons for Decision issued on 3 April 1998 regarding an application by TQM to construct a pipeline from Lachenaie, Quebec to the New Hampshire border near Pittsburg, U.S.A.

Union applied for (i) an order suspending the deadlines for the filing of documents or the taking of steps in these proceedings by all parties for 90 days or until the date on which the Board responds to a written request by Union for reasons for the GH-1-97 Decision, whichever date occurs first, after which time and subject to Union's abandonment of the application the deadline shall continue as if this application

were filed on the date of such response (ii) a writ of mandamus requiring the Board to issue reasons for the GH-1-97 Decision addressing the issues and evidence that were before the Board during the GH-1-97 Hearing (iii) such further relief as counsel should advise and the Court permit, and (iv) an order for the costs of this proceeding.

Review Completed

1. Rocky Mountain Ecosystem Coalition (RMEC) - Alliance Pipeline Project - Comprehensive Study Report

On 1 October 1998, the Board dismissed an application for review dated 17 September 1998 from RMEC that the Board initiate a review of all of its decisions as a responsible authority under the Canada Environmental Assessment Act in relation to the environmental scoping of the Alliance Pipeline Project.

Amendments to Guidelines and Regulations

Amendments to the Board's guidelines and regulations completed or in various stages of preparation, include the following:

1. National Energy Board Act Part VI (Oil and Gas) Regulations

The Board is proceeding with recommending that the Governor-In-Council approve amendments to the Regulations because some provisions in the existing Regulations are inconsistent with the new market-based approach to regulating the long-term exportation of crude oil.

2. Onshore Pipeline Regulations

On 8 April 1997, the Board forwarded a new draft consolidation of the *Onshore Pipeline Regulations* to the Department of Justice for legal review. 'Blue Stamped' copy of these regulations was issued by Justice on 28 September 1998.

The *Onshore Pipeline Regulations* specify the requirements for the protection of property and the environment and safety of the public and company employees in the design, construction, operation, maintenance and abandonment of an onshore pipeline.

A set of companion guidelines to these regulations is being prepared for completion later in 1998.

3. Offshore Pipeline Regulations

The *Offshore Pipeline Regulations* will specify the requirements for the protection of property and the environment and the safety of the public and the company's employees in the design, construction, operation and abandonment of an offshore pipeline.

The Regulations are at the drafting stage.

4. Hydrocarbon Processing Plant Regulations

Draft *Hydrocarbon Processing Plant Regulations* are estimated to be completed later in 1998.

5. Regulations and Guidelines Pertaining to Canada Oil and Gas Operations Act

The process of creating and amending regulations pertaining to oil and gas activities, under the provisions of the Canada Oil and Gas Operations Act, proclaimed in force in September 1992, is continuing. At present, the regulatory agenda is as follows:

Regulations and Guidelines being drafted:

Canada Oil and Gas Occupational Safety and Health Regulations - Amendments

Canada Oil and Gas Drilling Regulations - Re-structuring

Canada Oil and Gas Production and Conservation Regulations - Amendment

Canada Oil and Gas Diving Regulations - Amendment

Newfoundland Offshore Area Petroleum Occupational Safety and Health Regulations

Nova Scotia Offshore Area Petroleum Occupational Safety and Health Regulations

Physical Environmental Guidelines for Drilling Programs on Frontier Lands

Other Matters

Auditor General of Canada - Audit Report

On 29 September 1998, the Auditor General of Canada issued its findings of an audit conducted of the Board in 1998. The overall audit objective was to assess whether the Board was fulfilling its obligations as a regulatory body in the areas subject to examination, and specifically whether it has:

- identified changing circumstances;
- used appropriate surveillance and enforcement methods;
- developed effective management interfaces with other jurisdictions;
- established efficient and cost-effective operations and cost recovery practices; and
- carried out appropriate monitoring and reporting of operations and managerial performance.

Key management and operational processes were also examined and they included:

- human resources management;
- financial surveillance of tolls and tariffs;
- cost recovery;
- performance measurement and reporting;
- environment and safety audits and inspections;
- pipeline accident investigations; and
- internal audit and evaluation.

On 29 September 1998, the Board announced that it agrees with all the recommendations contained in the Report, and, in fact many have already been implemented. The Board stated that the recommendations are consistent with the direction in which the Board is moving and has plans in place to ensure they are implemented.

Canadian Energy and Supply Demand - 1998-2025

The Board is preparing a report entitled "Canadian Energy Supply and Demand 1998-2025". This report, scheduled to be published in June 1999, will provide an analysis of energy trends, issues and developments impacting Canada over the next quarter century. As part of this process, the Board has conducted public consultations to obtain the views of interested parties. The focus of the consultations was to firstly, obtain comments concerning the assumptions, emerging energy issues and scope of the report; and, secondly, seek comments on the resulting analysis.

The first round of public consultations took place in April and May 1998 in Calgary, Ottawa, Montreal, Halifax, St. John's, Vancouver and Regina.

On 13 March 1998, a consultation package was made available which comprised the Board's assumptions and issues to be discussed in these workshops. Alternatively, or in addition to the workshops, interested parties were invited to make written comments or submit papers on the consultation package.

On 5 October 1998, the Board issued a summary of the consultations conducted in the first round and the Board's response to those comments. The Board is proceeding with its analysis based on these inputs. It expects that the preliminary results for the second round of consultation will be available in early January with the consultations to follow about one month later. The format of the Round 2 consultation will be similar to the first round, i.e. public meetings in eight major cities (Vancouver, Calgary, Regina, Toronto, Ottawa, Montreal, Halifax and St. John's). The Board will be seeking comments on the preliminary results and guidance on further sensitivity analysis.

Administrative Matters

Appointments

On 15 July 1998, the Minister of Natural Resources appointed **Mr. Ken Vollman** as Chairman of the Board. Mr. Vollman replaces Mr. Roland Priddle who retired at the end of 1997.

Before joining the Board, Mr. Vollman worked at Mobil Oil Canada, Ltd. He joined the Board in 1973 and worked in a variety of positions including Director of Energy Resources Branch, Director General of Energy Regulation and Director General of Pipeline Regulation. Mr. Vollman was Acting Chairman from December 1997 to July 1998. He was

appointed Vice-Chairman in 1995, Board Member in 1993 and temporary Member in 1988. He is also Administrator to the Northern Pipeline Agency. Mr. Vollman holds a Master of Science degree in Mechanical Engineering from the University of Saskatchewan and has published numerous documents on energy matters.

On 24 September, **Mr. Cecil Mervin Ozirny** was reappointed as a Temporary Member of the Board until 28 January 1999. Mr. Ozirny was first appointed as a Temporary Member on 28 October 1997 for a nine month term.

On 15 July 1998, Messrs. **Guy Delisle and Paul Trudel** were appointed Temporary Board Members for a 60 day term for the purpose of the Trans Québec & Maritimes Pipeline Inc. detailed route hearing for the extension to the Portland Natural Gas Transmission System.

Mr. Delisle has been a solicitor with Board since 19 January 1998. Previously, he was a partner in his own law firm, Rabin and Delisle. From 1990 to 1996, he was Senior Solicitor with Air Canada. Mr. Delisle is a member of both the Canadian and the New Brunswick Bar Associations. His legal expertise includes commercial, labour, administrative and human rights law and Alternative Dispute Resolution. Mr. Trudel has been a staff member of the Board since 1983 and currently serves as the Team Leader of the Pipeline Integrity Team. Before joining the Board, he was employed by the Canuck Engineering Ltd. in Calgary and held engineering positions in several other companies in Alberta and Manitoba. He holds a B.Sc. in Civil Engineering from the University of Manitoba and is a member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta.

On 8 October 1998, the Minister of Natural Resources Canada, announced the appointment of **Dr. John S. Bulger** as a permanent member of the Board. Most recently, Dr. Bulger held the position of Senior Manager, Regulatory Affairs, at Maritimes and Northeast Pipeline in Halifax, Nova Scotia. From 1995 to 1997, he worked as a private consultant on key energy issues in Canada and abroad. He holds a PhD in physical chemistry from York University and a graduate diploma in business from McGill University.

Speeches

Energy Regulation in Canada, a presentation by Kenneth Vollman, Chairman, to The Duke of Edinburgh Study Conference held in Calgary, Alberta on 25 September 1998.

The Role of Regulation in the North American Gas Market, A Canadian Perspective, a presentation by Kenneth Vollman, Chairman, to the INGAA 1998 Annual Meeting held in Vancouver, British Columbia on 28 September 1998.

Documents Issued - 1 July to 30 September 1998

Reasons for Decision

Renaissance Energy Ltd. and TransCanada Gas Services - Natural Gas Export - GHW-1-98 - Letters of Decisions - 10 July 1998

AEC Suffield Gas Pipeline Inc. - Natural Gas Pipeline - GH-2-98 - June 1998

Trans Québec & Maritimes Pipeline Inc.- Detailed Route - Portland Natural Gas Transmission System (PNGTS) Extension - MH-2-98 - August 1998

Instructions for Filing

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 444 Seventh Avenue S.W., Calgary, AB T2P 0X8; Telephone (403) 292-4800; Fax (403) 292-5503.

Appendix I lists the number of copies required for the different types of applications.

Telephone Numbers

Appendix II lists the telephone number of Board Members and key staff.

Web Site

Internet users are invited to visit the Board's Internet home page at <http://www.neb.gc.ca>.

Board Document System (BDS)

The Board's BDS system is available to the public, offering direct access to an electronic library of regulatory documents. Document contents may be searched on-line with full-text search capabilities. Presently, the system contains Reasons for Decision dating from 1985 and hearing transcripts from 1991. Other document types will be added gradually, as they become available in standardized electronic format. The BDS may be used from remote locations or at the Board's Calgary office. The only cost to users will be long-distance telephone charges, if any, to connect to the system.

All users are asked to register with the Board and sign a public access agreement. This agreement explains the responsibilities of the user and outlines relevant terms and conditions. Request for a user account may be made by mail, facsimile or telephone at (403) 292-4800. For more information, a brochure on the Board Document System is also available.

National Energy Board
Michel L. Mantha
Secretary

For information contact:

Denis Tremblay
Communications Officer
Tel: (403) 299-2717
Fax: (403) 292-5503
Email: denis.tremblay@neb.gc.ca

For copies of documents contact:

Publications Office
Tel: (403) 299-3562
Fax: (403) 292-5503
Email: <http://www.orders@neb.gc.ca>

Appendix I

Number of Copies Required for Filings

Applicants are requested to provide the following number of copies of their applications or other filings to the National Energy Board. For matters not listed below, one copy is sufficient.

Type of Application or Filing	No. of Copies	Type of Application or Filing	No. of Copies
(a) Hearing Matters		(iii) Oil Exports	
(i) Certificates		Registered Oil Export Orders	05
Pipeline	25	(iv) Tolls	
Power Line	20	Class I and II Adjustments	20
(ii) Export Licences		Interim Orders	20
Natural Gas	25	Operating and Maintenance Budgets	20
Electricity	20	Changes in Depreciation Rates	20
(iii) Tolls	25	Quarterly Surveillance Reports	20
(iv) Land Acquisitions	20	New or Changed Tariffs	20
(b) Non-Hearing Matters		Domestic Gas Sales Contracts and Amendments	20
(i) Natural Gas		Amendments to Tariff Orders	20
Export Orders	20	(v) Pipelines and Power Lines	
Orders for Transmission Access	20	Permits	15
Licence Amendments	20	Exemption Orders Pipelines (Sec. 58)	20
Amendments to Export Contracts	20	Certificate Amendments	20
Licence Revocations	20	Leave to Sell or Transfer	20
(ii) Electricity Exports		Incident Reports	20
Permits	15	(vi) Other	
Licence or Permit Amendments	15	Application for Review	20
Licence or Permit Revocations	15		

The number of copies of interventions or submissions to be provided in response to applications will be specified in the applicable hearing order. Parties who would find the provision of multiple copies an undue financial burden may file one copy, with a request to be excused from multiple filing.

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 444 Seventh Avenue S.W., Calgary, AB T2P 0X8 Telephone (403) 292-4800; Fax (403) 292-5503.

Appendix II

Selected List of Telephone Numbers

(Area Code 403)

General Information	292-4800
Incident Reporting Number	1-800-632-1663
	1-800-NEB-1-ONE
Publication Office	Tel: 299-3562
	Fax: 292-5503
	Email: http://www.orders@neb.gc.ca
Web Site	http://www.neb.gc.ca

Board Members

Chairman	Kenneth Vollman	299-2730
Assistant	Carmen Morin	299-2725
Vice Chairman	Kenneth Vollman	299-2730
Assistant	Lillian Handelman	299-2741
Member	Anita Côté-Verhaaf	299-2739
Assistant	Lillian Handelman	299-2741
Member	Judith Snider	299-2737
Assistant	Louise Niro	299-2734
Member	Diana Valiela	299-2729
Assistant	Geraldine McCullum	299-2728
Member	Rowland J. Harrison	299-2736
Assistant	Margaret Merta	299-2734
Temporary Member ^(a)	Gaétan Caron	299-2700
Admin. Assistant	Jan Dane	299-2701
Temporary Member ^(b)	C. Mervin Ozirny	299-2740
Assistant	Geraldine McCullum	299-2728
Temporary Member ^(c)	Guy Delisle	
Temporary Member ^(c)	Paul Trudel	

(a) Temporary member appointed on 4 September 1997 to 4 September 1999.

(b) Temporary member appointed on 28 October 1997 to 28 January 1999.

(c) Temporary members appointed on 17 July 1998 for the purpose of the detailed route hearing of the TQM/PNGTS Extension.

Executive Director

Executive Director	Gaétan Caron	299-2700
Admin. Assistant	Jan Dane	299-2701

Professional Leaders

Environment	Vacant	
Energy Resources	Vacant	
Engineer	Frank Gareau	299-3178
Economics	Glenn Booth	299-3621

Legal Services

General Counsel and Director	Judith Hanebury	292-6497
Counsel	Peter Noonan	299-3552
Paralegal/Admin.	Susan Gudgeon	299-2704
Counsel	Margery Fowke	299-2708
Counsel	Claire McKinnon	299-2707
Counsel	Peter Enderwick	292-4104
Paralegal	Corina Smith	299-3551
Counsel	Lori Ann Boychuk	292-2709
Counsel	Christine Beauchemin	292-6489
Counsel	Gino Grondin	292-6495
Counsel	Guy Delisle	299-3937
Paralegal	Helen Benes	292-6540

Information Management Business Unit

Business Unit Leader	Scott Richardson	299-2711
----------------------	------------------	----------

Secretary and Team Leader Regulatory Operations

Michel Mantha	299-2714
---------------	----------

Technical Project Manager, Electronic Regulatory Filing

Neil Levette	299-3613
--------------	----------

Communications

A/Team Leader	Karla Reesor	299-2713
Communications Officer	Denis Tremblay	299-2717
Communications Officer	Ross Hicks	299-3930
Communications Officer	Ruth Grenville	299-2719
Reception		292-4800

Library

Team Leader	Shawn Aitken	299-3932
Library, Information		299-3561

Applications Business Unit

Business Unit Leader Brenda Kenny 299-3565

TransCanada PipeLines Limited and Trans Québec & Maritimes Pipeline Inc.

Team Leader Steve Brown 299-3653

Westcoast Energy Inc. and Trans Mountain Pipe Line Company Ltd.

Team Leader Hans Pols 299-3189

Interprovincial Pipe Line Inc., Trans-Northern Pipelines Inc. and Express Pipeline Ltd.

Team Leader Christine van Egmond 299-2783

Alberta Natural Gas Company Ltd, Foothills Pipe Lines Ltd. and Alliance Pipeline Ltd.

Team Leader Jim Fox 299-3628

Exports, Cochin Pipe Lines Ltd. and Natural Gas Liquids Pipelines

Team Leader Gurdeep Gill 299-3659

Commodities Business Unit

Business Unit Leader Terrance Rochefort 299-3646

Commodity Convergence

Team Leader Jawed Aziz 299-3630

Gas

Team Leader Bill Bingham 299-3198

Oil

Team Leader Barry Lynch 299-3197

Electricity

Team Leader Julian Emanuel 299-3186

Resource Assessment

Team Leader Jim Davidson 299-3135

Operations Business Unit

Business Unit Leader John McCarthy 299-2766

Health, Safety and Environment

Team Leader Wayne Marshall 299-3901

Exploration and Development

Team Leader Terry Baker 299-2792

Regulatory Development

Team Leader Bharat Dixit 299-3903

Pipeline Accident Investigation

Team Leader Paul Trudel 299-2768

Corporate Services Business Unit

Business Unit Leader Sylvia Farrant 299-2703

Assistant Sylvie Joannis 292-4056

Human Resources Development

Team Leader Christine Elder 299-3698

Labour Management

Team Leader Earl Schultz 299-3620

Planning and Reporting

Team Leader Peter Schnell 292-6137

Supply Management

Team Leader Bryan Labbé 299-3916

Appendix III

Section 58 Applications

The Board has approved or is considering several applications under section 58 of the NEB Act involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. These matters may be considered by the Board without a public hearing.

Gas Pipelines

Applicants	File/Order Nos.	Application	Est. Cost
AEC West	File: 3400-A1562 Order: XG-A156-56098	Applications dated 22 December 1997, as amended; approved on 17 September 1998. Construct and operate 22.7 kilometres of sour and fuel gas pipelines between wellsites 15-31-74-13 W6M in Northwest Alberta and a-29-H/93-P-9 in Northeast British Columbia, and extension from wellsites d-64-I/93-P-8 to a-82-I/93-P-8.	5 054 000
Alberta Natural Gas Company Ltd.	File: 3400-A2-22 Order: XG-A2-45-98	Application dated 27 November 1997. Approved on 22 July 1998. Right-of-way access improvement at King Creek Forest Service Road.	32 000
Express Pipeline Ltd.	File: 3400-E92-4 Order: XG-E92-26-98	Application dated 4 August 1998. Approved on 24 August 1998. Construct storage building at the Hardisty Terminal.	25 000
Foothills Pipe Lines Ltd.	File: 3400-F6-23 Order: XG-F6-54-98	Application dated 26 March 1998. Approved on 2 September 1998. - Zone 6: Cathodic anode well installation at Stations 363 and 365. - Zone 9: Cathodic anode well installation at Station 392-2	115 000
Many Islands Pipe Lines (Canada) Limited	File: 3400-M29-25 Order: XG-M29-59-98	Application dated 11 June 1999. Approved on 21 September 1998. Construction of natural gas hot tap-off.	312 800
Penn West Petroleum Ltd.	File: 3400-P166-2 Decision pending.	Application dated 9 July 1998. Construction of a 33 km pipeline in northern Alberta and British Columbia. On 22 September 1998, the Board sent a letter to Penn West requesting additional information.	7 810 300
St. Clair Pipelines (1996) Limited	File: 3400-S119-5 Order: XG-S119-49-98	Application dated 24 June 1998. Approved on 14 July 1998. Construct NPS 2 site connection to existing NPS 12 Bluewater valve site.	3 211
TransCanada PipeLines Limited	File: 3400-T1-151 Order: XG-T1-46-98	Application dated 30 March 1998. Approved on 9 July 1998. Construction No. 7: - Project T98442: Lower drain from MLV 76-1 to MLV 76A-1. - Project T98809: Lower drain from MLV 146 to MLV 147A.	823 000
	File: 3400-T1-151 Order: XG-T1-48-98	Application dated 30 March 1998. Approved on 10 July 1998. Construction No. 7: - Project T97231: Remove and recoat from MLV 403-1 to MLV 404-1, lower drain, remove and recoat from MLV 403-2 to MLV 404-2, install slab from MLV 403-1 to MLV 404-1 and MLV 403-2 to MLV 404-2.	2 819 000
	File: 3400-T1-154 Order: XG-T1-50-98	Application dated 25 March 1998. Approved on 13 July 1998. Construction No. 4: Construct two delivery points to Union Gas Limited, the Hurkett Sales Tap and Lennox Sales Meter Station.	2 937 000

Gas Pipelines

Applicants	File/Order Nos.	Application	Est. Cost
	File: 3400-T1-151 Order: XG-T1-53-98	Application dated 30 March 1998. Approved on 31 July 1998. Construction No. 7: - Project T98801: Lower drain, replacement, protective drain lining and slab installation from MLV 805-1 to MLV 806-1. - Project T98853: Install pig receiver - MLV 806-1.	1 762 000
	File: 3400-T1-157 Order: XG-T1-55-98	Application dated 10 July 1998. Approved on 19 August 1998. Construction No. 11: Pipe recoating at 10 station yards.	9 709 000
	File: 3400-T1-155 Order: XG-T1-58-98	Application dated 11 May 1998. Approved on 1 September 1998. Construction No. 10: Construct corrosion remedial facilities.	11 106 100
	File: 3400-T1-158 Order: XG-T1-60-98	Application dated 1 September 1998. Approved on 24 September 1998. Construction No. 12: Project T89674: Install split casings on Lines 100-1 and 100-2, and excavate, inspect and replace backfill on Line 100-3.	573 000
	File: 3400-T1-159 Decision pending.	Application dated 1 September 1998. Construction No. 13: Install facilities for one new receipt and four new delivery points. On 15 September 1998, the Board sent a letter to TransCanada requesting additional information.	644 000
Trans Québec & Maritimes Pipeline Inc.	File: 3400-T028-30 Order: XG-T28-57-98	Application dated 7 July 1998. Approved on 4 September 1998. Construct meter station in the vicinity of Coaticook, Québec.	304 124
Westcoast Energy Inc.	File: 3400-W5-193 Order: XG-W5-12-98	Application dated 5 February 1998. Approved on 16 July 1998. Construct a 7.35-kilometre (4.57-mile) loop on the Fort Nelson Mainline between compressor stations N4 and N5.	13 100 000
	File: 3400-W5-201 Decision pending.	Application dated 23 June 1998. Install Orenda Compressors at Stations 6B and 8B. On 15 July 1998, the Board sent a letter to Westcoast requesting additional information.	5 500 000
	File: 3400-W5-202 Order: XG-W5-47-98	Application dated 24 June 1998. Approved on 13 July 1998. Project GV-42: Relocate Chamberlain receiving barrel piping.	30 000
	File: 3400-W5-186 Order: XG-W5-51-98	Application dated 15 December 1997. Approved on 20 July 1998. Project TS001: Construction of rock revetment at Milepost 580.5 of the 36" Fort St. John loopline crossing Coquihalla River.	60 000
	File: 3400-W5-56 Order: XG-W5-52-98	Application dated 11 May 1992. Approved on 19 August 1998. Install diethanolamine incineration system at the Fort Nelson gas plant.	

Oil Pipelines

Applicants	File/Order Nos.	Application	Est. Cost
Amoco Canada Petroleum Company Ltd. / Cochin Pipe Line Ltd.	File: 3400-C18-27 Order: XO-C18-29-98	Application dated 19 August 1998. Approved on 18 September 1998. Modify piping of the Cochin Pipeline receiver trap located at Windsor Storage Facility.	14 000
CXY Energy Marketing	File: 3400-C373-1 Decision pending.	Application dated 7 July 1998. Construct an oil emulsion pipeline. On 12 August 1998, the Board sent a letter to CXY requesting additional information.	6 000 000
Interprovincial Pipe Line Inc.	File: 3400-J1-94 Order: XO-J1-27-98	Application dated 1 December 1997. Approved on 10 September 1998. Project 19981021B005: Improve water drainage at Bethune Station.	45 000
	File: 3400-J1-97 Order: XO-J1-30-98	Application dated 20 August 1998. Approved on 22 September 1998. Upgrade electrical substations at St. Leon, Souris and West Souris, in Manitoba.	2 130 000
Novagas Canada Pipelines Ltd.	File: 3400-N62-2 Order: XO-N62-23-98	Application dated 9 April 1998. Approved on 3 July 1998. Install and replace valves on Boundary Lake pipeline, construct tie-ins for Pump Station, Younger Straddle Plant, Boundary Lake and Taylor pipelines and portion of pipeline constructed under Certificate OC-43.	
	File: 3400-N62-2 Order: XO-N62-28-98	Application dated 8 September 1998,; approved on 17 September 1998. Inspect, recoat, conduct cutouts and repalce line pipe at varous locations on the Taylor and Boundary Lake pipelines.	200 000
Trans Mountain Pipe Line Company Ltd.	File: 3400-T4-59 Order: XO-T4-24-98	Application dated 1 May 1998. Approved on 24 July 1998. Project 8102 - Remove and replace existing pipeline crossing of the Coldwater River at Km 950. Project 8103 - Replace 250 m of pipe at the Coquihalla River starting at Km 966.	770 000
	File: 3400-T4-59 Order: XO-T4-25-98	Application dated 1 May 1998. Approved on 31 July 1998. Project 8255 - Construct fish habitat compensation channel adjacent to the Coldwater River in British Columbia.	435 000
Trans-Northern Pipelines Inc.	File: 3400-T2-36 Order: XO-T2-21-98	Revised application dated 5 February 1998. Approved on 21 August 1998. Dorval Tunnel hot bend replacement, Deseronto building repairs, and line segmentation valves at Cooksville Junction and Humber River in Ontario, and Rivière du Chêne in Québec.	1 040 000

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament. Over the course of its history, it has played an important role in the development of Canada's energy sector.

The Board's regulatory powers under the *National Energy Board Act* include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and designated interprovincial and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment, and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by the Ministry of Labour to administer Part II of the *Canada Labour Code*.

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as represented by the National Energy Board

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par l'Office national de l'énergie

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Regulatory Agenda

The period covered in this Regulatory Agenda is 1 October to 31 December 1998

Applications Considered by Public Hearing

Recent Hearing Decisions

1. Souris Valley Pipeline Limited (SVPL) - Carbon Dioxide Pipeline - MH-1-98

Reasons for Decision dated October 1998; issued on 14 October 1998.

The Board approved the construction of approximately 61 kilometres (38 miles) of carbon dioxide pipeline extending from a point at the international boundary approximately 25 kilometres (16 miles) southwest of Estevan, Saskatchewan to a terminus approximately 3.2 kilometres (two miles) north-east of Goodwater, Saskatchewan. The pipeline will be used to transport carbon dioxide from the proposed Dakota Gasification Company Pipeline Project (DCG) in North Dakota to the existing Weyburn oil field.

DCG, SVPL's parent corporation and operator of the pipeline, has signed an agreement with PanCanadian Petroleum Limited to provide 2.7 million cubic metres (95 million cubic feet) of carbon dioxide per day to the Weyburn oil field near Goodwater, commencing December 1999. The carbon dioxide will be used for implementation of the Weyburn Miscible Flood Project, a separate downstream project expected to extend the life of the existing oilfield by

25 years. The estimated capital cost of the project is \$13.67 million and the planned in-service date is December 1999.

The Board considered the application at a public hearing held on 4 May 1998 in Regina, Saskatchewan.

2. Maritimes & Northeast Pipeline Management Ltd. (M&NP) - Sable Offshore Energy Inc. (SOEI) - Detailed Route Hearings - Pipeline Projects in the Maritimes - MH-3-98 and MH-4-98

Reasons for Decisions dated October 1998; issued on 30 October 1998.

The Board approved M&NP's proposed detailed route in 12 out of 17 cases heard in detailed route hearings for the company's proposed pipeline project. Of five other cases heard, the Board in three cases denied the applied-for route, and reserved its decision in two other cases, pending the filing of information by M&NP. The Board has reconvened this hearing, by way of video conference, to consider these two cases. The hearing will be held in Fredericton, New Brunswick, Stellerton, Nova Scotia and simultaneously in Calgary, Alberta on 8 and 11 January 1999.

The Board also held detailed route hearings for the proposed route to bring natural gas onshore for the SOEI project. The

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PREFACE

The purpose of this quarterly agenda is to provide information on the Board's activities.

Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the National Energy Board Act, R.S.C. 1985, c.N-7, as amended.

**"We promote Safety,
Environmental
Protection and
Economic Efficiency"**



Board approved the route proposed by SOEI in the two cases heard by the Board.

As background to these proceedings, in December 1997, the Board approved the general route for the M&NP and SOEI pipeline following a public hearing held from 4 April to 16 July 1997 in Nova Scotia and New Brunswick. In February 1998, M&NP applied to the Board for approval of the Plans, Profiles and Books of Reference respecting the detailed route for the maritime pipeline.

The MN&P facilities will transport natural gas via an onshore pipeline to markets in the Maritimes and northeast United States. The facilities will consist of a 558-kilometre (347-mile) pipeline from the Goldboro gas plant through Nova Scotia and New Brunswick to the international border near St. Stephen, New Brunswick.

The SOEI facilities will include a 200-kilometre (124-mile) offshore submarine pipeline which would connect the Thebaud platform near Sable Island to a landfall point approximately three kilometres to the southeast of the Village of Goldboro, Nova Scotia. From the landfall, SOEI will construct a 1.5-kilometre onshore pipeline to the boundary of a proposed gas plant site. The statements of opposition dealt with the onshore pipeline.

The Board considered the statements of opposition at public hearings held from 23 July to 12 August 1998 in Fredericton and Moncton, New Brunswick and Stellerton and Halifax, Nova Scotia.

3. Alliance Pipeline Ltd. (Alliance) - Natural Gas Pipeline - GH-3-97

Reasons for Decision dated November 1998; issued on 26 November 1998.

The Board approved an application by Alliance to construct and operate the Canadian portion of a high pressure natural gas pipeline system from northeastern British Columbia and northwestern Alberta to the midwest United States.

In taking its decision, the Board took into account extensive evidence compiled during 77 days of public hearings and the results of a comprehensive study on potential environmental effects. The hearings were held in Calgary, Regina, Fort St. John and Edmonton.

The approval followed a comprehensive study under the Canadian Environmental Assessment Act by the three responsible authorities for the project, namely the Board, Fisheries and Oceans Canada and the Prairie Farm Rehabilitation Administration. Having considered the comprehensive study report, public comments on the report and the Canadian Environmental Assessment Agency's recommendation, the Minister of the Environment concluded that the project, as described, is not likely to cause significant adverse environmental effects. As a result, the Minister

referred Alliance's proposed project back to the responsible authorities for action.

Following Governor in Council approval on 3 December 1998, Alliance received a Certificate of Public Convenience and Necessity under the National Energy Board Act. The certificate issued to Alliance to construct the project contains 54 conditions to ensure that the project is carried out with proper regard to the protection of property and the environment, the safety of the public, and other interests. The Board also approved the tolling arrangement negotiated between Alliance and its shippers.

Alliance plans to construct and operate approximately 1 565 kilometres (970 miles) of mainline and related facilities from a point near Gordondale, Alberta to a point on the Canada/United States border near Elmore, Saskatchewan and approximately 770 kilometres (480 miles) of lateral pipelines and related facilities in British Columbia and Alberta. Seven mainline compressor stations and 26 lateral compressor stations are planned. The mainline will be 914 and 1 067 millimetres (36 and 42 inches) in diameter and the laterals will range in size from 114 to 610 millimetres (four to 24 inches).

The pipeline is scheduled to be in service in the second half of the year 2000 and will be capable of delivering 37.5 million cubic metres (1.325 billion cubic feet) of natural gas per day on a firm service basis. The estimated cost of the Canadian portion of the facilities is approximately \$2 billion.

4. TransCanada PipeLines Limited (TCPL) - 1999 Facilities - GH-3-98

Reasons for Decision dated November 1998; issued on 3 December 1998.

The Board approved an application by TransCanada to construct facilities on its natural gas pipeline system to meet future requirements.

The facilities to be constructed, in Saskatchewan, Manitoba and Ontario, include 156.1 kilometres (97.0 miles) of pipeline looping, four new 28.3 megawatt compressor units, an aftercooler at one compressor station and other related items. TCPL proposed to construct 90.3 kilometres (56.1 miles) of pipeline looping on its Central Section in the winter of 1998 - 1999 and 11.5 kilometres (7.1 miles) of looping on the North Bay shortcut in either the winter of 1998 - 1999 or the summer of 1999. The remainder of the facilities would be constructed in the summer of 1999. The planned in-service date of the facilities is 1 November 1999. The estimated capital cost of the facilities is \$402.9 million.

The Board considered the application at a public hearing held in Calgary from 5 to 9 October 1998.

Hearing Decision Pending

1. *Maritimes and Northeast Pipeline Management Ltd. (M&NP) - Point Tupper Lateral - GH-4-98*

The Board held a public hearing from 23 November to 1 December 1998 in Antigonish, Nova Scotia on an application from M&NP to build and operate a natural gas lateral pipeline to Point Tupper, Nova Scotia. The project is designed to take natural gas from M&NP's main transmission pipeline to Point Tupper from a point near Goldboro, Nova Scotia.

The project will consist of approximately 59 kilometres (37 miles) of pipeline and associated facilities. Approximately 55 kilometres (34 miles) of pipeline will take gas from the Sable Offshore Energy Inc. (SOEI) gas processing plant to a delivery point at the SOEI fractionation plant in Point Tupper and a further four kilometres (2.5 miles) of pipeline will take gas to two other delivery points in the Point Tupper area.

The estimated cost of the project is \$21 million and the planned in-service date is 1 November 1999.

Hearings Scheduled

1. *Vector Pipeline Limited Partnership (Vector) - Pipeline Construction- GH-5-98*

The Board will hold a public hearing commencing on 18 January 1999 in London, Ontario on an application from Vector to construct a natural gas pipeline in southwestern Ontario.

The Canadian portion of the pipeline will consist of 24 kilometres (15 miles) of pipeline extending from a point along the International Boundary in the St. Clair River near Sarnia, Ontario to a point near Dawn, Ontario. At Dawn, shippers may access other existing and proposed new pipeline facilities which provide access to markets and storage facilities in eastern Canada and the northeastern region of the United States. The Vector Pipeline is proposed to have an initial capacity of 28.3 million cubic metres (one billion cubic feet) of natural gas per day. The estimated cost of the project is \$35.4 millions.

The Vector Pipeline is planned to interconnect upstream in the United States with existing and proposed transmission facilities of Northern Border Pipeline Company, Alliance Pipeline Ltd. and Michigan Consolidated Gas Company. In Canada, a downstream connection with facilities owned by Union Gas Limited is planned.

2. *BC Gas Utility (BC Gas) - Service on Westcoast Energy Inc. (WEI) - Toll Methodology - RH-2-98*

The Board will hold a public hearing commencing on 22 February 1999 in Vancouver, British Columbia to deal with the toll methodology issues in an application by BC Gas.

On 14 July 1998, BC Gas applied for orders to: (i) require WEI to receive, transport and deliver gas from Kingsvale to Huntingdon, British Columbia; (ii) require WEI to install adequate and suitable facilities to receive gas at Kingsvale and to transport and deliver gas at Huntingdon; and (iii) prescribing terms and conditions, including tolls, for the transportation of natural gas by WEI over the Kingsvale to Huntingdon portion of its Zone 4 pipeline. BC Gas also suggested that the Board establish a similar point-to-point toll from WEI's Station 2 to Kingsvale interconnection to allow shippers to use the bi-directional capability at Kingsvale to ship gas to downstream markets.

On 2 October 1998, the Board advised BC Gas that the part of the application requesting orders to require WEI to receive, transport and deliver gas and to install adequate and suitable facilities to receive gas is not presently ripe for consideration. However, the Board decided to seek the comments of interested parties on the efficacy of a separate process to consider the toll methodology issues related to the Kingsvale to Huntingdon export point and the Station 2 to Kingsvale interconnects.

Hearings Postponed

1. *Mr. Robert A. Milne, 3336101 Ontario Limited, c.o.b. as Milne Crushing & Screening - MH-1-97*

For more information on this matter, refer to item 1 under Hearings Postponed in issue No. 62 of the Regulatory Agenda dated 1 October 1997.

2. *TransCanada PipeLines Limited - Contract Renewal Rights and Expansion Policy Requirements - RH-3-97*

For more information on this matter, refer to item 2 under Hearings Postponed in issue No. 62 of the Regulatory Agenda dated 1 October 1997.

3. *Crowsnest Pipeline Project (CNP) - Natural Gas Pipeline*

For more information on this matter, refer to item 1 under Hearing Applications, Hearing Application Suspended of issue No. 63 of the Regulatory Agenda dated 1 January 1998.

Hearing Applications Filed

1. *Maritimes & Northeast Pipeline Management Ltd. (M&NP) - Halifax Lateral Pipeline Project*

On 5 June 1998, M&NP, on behalf of Maritimes & Northeast Pipeline Limited Partnership, filed an application for approval to construct a natural gas pipeline lateral to Halifax, Nova Scotia.

M&NP applied to construct 121 kilometres (75 miles) of pipeline and associated facilities from its mainline near Stellerton, Nova Scotia to Nova Scotia Power's Tufts Cove generation station. The current volume of natural gas

requested for transportation on the proposed lateral is approximately 1.7 million cubic metres (60.0 million cubic feet) per day. The estimated cost of the project is \$74 million and the proposed in-service date is 1 November 1999.

On 11 March 1998, the Board initiated the scoping of the environmental assessment that is required under the *Canadian Environmental Assessment Act* (CEAA) for the Halifax Lateral. The Board sought comments from the public on the draft scope for the environmental assessments to be conducted by M&NP. The draft scope was developed in consultation with other federal departments and agencies. The scoping exercise is intended to provide a framework for M&NP environmental assessment and involves a determination of the scope of the project, the factors to be assessed, and the scope of those factors. On 27 May 1998, the Board released its decision on the scoping.

On 27 May 1998, the Board delegated the preparation of the Comprehensive Study Report for the Halifax Lateral to M&NP pursuant to Section 17 of the CEAA. The Board is the lead Responsible Authority for the project under the CEAA.

2. Maritimes & Northeast Pipeline Management Ltd. (M&NP) - Saint John Lateral Pipeline Project

On 5 June 1998, M&NP, on behalf of Maritimes & Northeast Pipeline Limited Partnership, filed an application for approval to construct a natural gas pipeline lateral to Saint John, New Brunswick.

M&NP applied to construct approximately 102 kilometres (63 miles) of pipeline and associated facilities from its mainline near Big Kedron Lake, New Brunswick to the City of Saint John. M&NP also proposes to construct approximately 8 kilometres (5 miles) of pipeline and associated facilities from a point on the lateral to the Lake Utopia area. The current volume of natural gas requested for transportation on the lateral is approximately 3.7 million cubic metres (130.6 million cubic feet) per day. The estimated cost of the project is \$91 million and the proposed in-service date is 1 November 1999.

On 21 August 1998, the Board initiated the scoping of the environmental assessment that is required under the *Canadian Environmental Assessment Act* (CEAA) for the Saint John Lateral. The Board sought comments from the public on the draft scope for the environmental assessments to be conducted by M&NP. The draft scope was developed in consultation with other federal departments and agencies. The scoping exercises are intended to provide a framework for M&NP environmental assessment and involves a determination of the scope of the project, the factors to be assessed, and the scope of those factors. On 2 October 1998, the Board released its decision on the scoping.

On 2 October 1998, the Board delegated the preparation of the Comprehensive Study Report for the Saint John Lateral to M&NP pursuant to Section 17 of the CEAA. The Board is the lead Responsible Authority for the project under the CEAA.

3. St. Clair Pipelines (1996) Ltd. (St. Clair) - TransCanada PipeLines Limited (TCPL) - Pipeline Projects in Ontario

On 9 and 16 December 1998, TCPL and St. Clair, respectively, applied to construct pipelines to transport natural gas to markets in the northeast and mid-Atlantic United States.

St. Clair applied to construct a 74-kilometre (46-mile) pipeline and related facilities extending from a point near Sarnia, Ontario to the shore of Lake Erie near Patrick Point, Ontario, 25 kilometres (15.5 miles) southwest of Port Stanley (the Millennium West Pipeline). There it will interconnect with the Lake Erie Crossing requested by TransCanada.

The proposed TransCanada Lake Erie Crossing is a 97.4-kilometre (60.5 mile) pipeline, extending from the lakeshore to the Canada/United States border located near the middle of Lake Erie where it will interconnect, beneath the waters of Lake Erie, with the proposed Millennium Pipeline, creating a new Lake Erie export point. From shore-to-shore the lake crossing is about 145 kilometres (90 miles) long.

The initial capacity of the proposed pipelines is 19.8 billion cubic metres (700 million cubic feet) per day. The proposed Millennium West Pipeline is estimated to cost \$166 million while the total project cost of the proposed Lake Erie Crossing is estimated at \$162 million. The two companies plan an in-service date of 1 November 2000.

Regarding the environmental assessment required by the *Canadian Environmental Assessment Act* for the proposed Millennium West Pipeline and the Lake Erie Crossing, which is collectively called the Canadian Millennium Project, the NEB has referred the Project to the Minister of the Environment for a referral to a review panel.

4. Enron Capital & Trade Resources Corp. (ECTR) - Natural Gas Export

On 21 December 1998, ECTR filed an application for approval to export natural gas, for a 10-year period commencing on 1 November 1999, to serve its corporate markets in the United States.

The natural gas would be exported from St. Clair, Ontario. The volumes proposed to be exported are: **Daily** - 566 600 cubic metres (20.0 million cubic feet); **Annual** - 206.8 million cubic metres (7.3 billion cubic feet); **Term** - 2 068.0 million cubic metres (73.0 billion cubic feet). The natural gas would be purchased from PanCanadian Petroleum Limited's supply within the province of Alberta.

Other Applications

The Board had, or has, before it a number of applications and other matters that do not require public hearings. Since the 1 October 1998 issue of the Regulatory Agenda, the matters below have been or are being considered by the Board.

NATURAL GAS MATTERS

Matters Completed

1. *Alberta Northeast Gas Limited (ANE) and TransCanada Gas Services (TCGS) - Contract Amendment - Natural Gas Export Licence GL-102*

On 22 December 1998, the Board approved a joint application from ANE and TCGS for approval of an amendment to the Gas Sales Agreement No. 1 dated 7 February 1991 between ANE and Boston Gas Company underpinning natural gas export under Licence GL-102. The amendment is to the condition of repurchase of gas by Commonwealth Gas Company.

2. *Enron Capital & Trade Resources Corp. (ECTR) - Contract Amendments - Natural Gas Export Licences GL-258 and GL-278*

On 2 October 1998, the Board approved an application dated 26 August 1998 from ECTR for approval of the following:

- (a) amendment to natural gas export Licence GL-258 as a result of the terminated contracts with Ranger Oil Limited and AEC West; and,

an amended gas purchase agreement between Enron Capital & Trade Resources Canada Corp. (ECTR Canada) and Orbit Oil & Gas Ltd.; and
- (b) a gas purchase agreement between ECTR Canada with each of Beau Canada Exploration Ltd. (Beau Canada), Canadian Natural Resources (CNR) and Pinnacle Resources Ltd. (Pinnacle) underpinning export of natural gas under Licence GL-278.

Under Licence GL-258, ECTR exports natural gas to serve its market in the U.S. Northeast. Effective 1 November 1998, ECTR Canada assigned part of its capacity from TransCanada PipeLines Limited to ProGas Limited. As a result of this assignment, ECTR Canada as amended its gas purchase contracts with each of Ranger Oil Limited and AEC West such that these gas purchase contracts end effective 1 November 1998. The remaining gas purchase contract with Orbit Oil & Gas Ltd. continues to be a contractual obligation over the remaining term of the Licence. As a result of the reduction in the contractual obligations of the Maximum Daily Quantities, the Licence had to be amended.

Under GL-278, ECTR exports natural gas to serve its markets off the Great Lakes Gas Transmission System. ECTR has amended its contract with Beau Canada, CNR and Pinnacle such that the Maximum Daily Quantities under each agreement is in MMBtu's instead of MCF.

3. *Enron Capital & Trade Resources Corp. (ECTR) - Contract Amendment - Natural Gas Export Licence GL-277*

On 16 November 1998, the Board approved an application dated 26 August 1998 from ECTR for approval of Enron Capital & Trade Resource Canada Corp.'s gas purchase agreement with Encal Energy Ltd. (Encal) replacing the terminated agreement with Rigel Oil & Gas Ltd. The Board denied that part of the application that would have allowed ECTR to export the additional Encal supply under the tolerances provision in Licence GL-277.

Under Licence GL-277, ECTR exports natural gas to serve its markets off the Northern Border Pipeline Company system.

4. *Husky Oil Operation Limited - Revocation of Natural Gas Export Licences GL-113, GL-144 and GL-185*

On 6 October 1998, the Board approved an application dated 24 September 1998 from Husky to revoke the above-noted natural gas export licences. The gas purchase contracts underpinning the exports under those licences have been terminated.

Under Licence GL-113, Husky was authorized to export natural gas to Consumer Power Company for system supply in Michigan. Under Licences GL-144 and GL-145 Husky was authorized to export natural gas to Power City Partners and Tenaska Gas Company, respectively, to fuel cogeneration plants in Massena, New Jersey and Ferndale, Washington.

5. *Pan-Alberta Gas Ltd. (Pan-Alberta) - Contract Amendments - Natural Gas Export Licence GL-106*

On 29 October 1998, the Board approved an application dated 30 September 1998 from Pan-Alberta for the approval of the Eleventh Amending Contract to the Gas Sales Contract (Western Contract) with Northwest Alaskan Pipeline Company (Northwest Alaskan) underpinning natural gas export Licence GL-106. By the Eleventh Amending Contract, Pan-Alberta and Northwest Alaskan amended the Index Price determining the Gas Commodity Price under a chain of contracts which result in the sale of the natural gas to Southern California Gas Company.

6. *Pan-Alberta Gas Ltd. (Pan-Alberta) - Contract Amendments - Natural Gas Export Licence GL-106*

On 11 December 1998, the Board approved an application dated 26 November 1998 from Pan-Alberta for the approval of the Twelfth Amending Contract to the Gas Sales Contract (Western Contract) with Northwest Alaskan Pipeline Company (Northwest Alaskan), Pacific Interstate Transmission Company (PITCO) and Southern California Gas Company (SoCal) underpinning natural gas export Licence GL-106. In early 1998, Pan-Alberta, Northwest Alaskan and SoCal agreed to restructure their contractual arrangements (PITCO Restructuring). The Twelfth Amending Contract supports the assignment of the Western Contract from Northwest Alaskan to Pan-Alberta and Pan-Alberta Gas (U.S.) Inc. and also includes an amendment to the gas pricing provision.

7. *ProGas Limited (ProGas) - Contract Amendments - Various Natural Gas Export Licences*

On 16 October 1998, the Board approved an application dated 24 August 1998 from ProGas for approval of various amendments to gas sales contracts as follows:

- Gas Sales Agreement dated 31 October 1993 with Michigan Gas Utilities underpinning export of natural gas under Licence GL-233;
- Gas Sales Agreement dated 18 October 1993 with Wisconsin Fuel & Light Company underpinning exports of natural gas under Licence GL-234;
- Gas Sales Agreement dated 20 October 1993 with Wisconsin Gas Company underpinning exports of natural gas under Licence GL-235;
- Gas Sales Agreement dated 20 October 1993 with Wisconsin Natural Gas Company underpinning exports of natural gas under Licence GL-236;
- Gas Sales Agreement dated 20 October 1993 with Wisconsin Power & Light Company underpinning exports of natural gas under Licence GL-237;
- Gas Sales Agreement dated 21 October 1993 with Wisconsin Public Service Corporation underpinning exports of natural gas under Licence GL-238;
- Gas Sales Agreement dated 17 September 1993 with Wisconsin Gas Company underpinning exports of natural gas under Licence GL-240; and,
- Gas Sales Agreement dated 1 November 1992 with Great Plains Natural Gas Company underpinning exports of natural gas under Licence GL-270.

The pricing provision in each for gas sales agreement have been amended.

8. *ProGas Limited (ProGas) - Contract Amendments - Natural Gas Export Licence GL-161*

On 26 October 1998, the Board approved an application dated 26 August 1998 from ProGas for the approval of amendments to the pricing provisions in the Sales Contract with Orchard Gas Corporation, as agent for MASSPOWER, underpinning natural gas export Licence GL-161. Under the Licence, ProGas exports natural gas to Granite State Gas Transmission Inc. to serve the MASSPOWER cogeneration facility in Springfield, Massachusetts.

9. *ProGas Limited (ProGas) - Contract Amendments - Natural Gas Export Licence GL-178*

On 29 October 1998, the Board approved an application dated 27 August 1998 from ProGas for the approval of amendments to the pricing provisions in the Sales Contract with Lockport Energy Associates, L.P. (Lockport) underpinning natural gas export Licence GL-178. Licence GL-178 authorizes ProGas to export natural gas to Lockport's cogeneration plant in Lockport, New York.

10. *ProGas Limited (ProGas) - Contract Amendments - Natural Gas Export Licence GL-179*

On 26 October 1998, the Board approved an application dated 3 September 1998 from ProGas for the approval of amendments to the pricing provisions in the Sales Contract with Northern States Power Company of Wisconsin underpinning natural gas export Licence GL-179.

11. *Union Pacific Resources Inc. (Union) - Revocation of Natural Gas Export Licences GL-115 and GL-142*

On 27 November 1998, the Board approved an application from Union to revoke natural gas export Licences GL-115 and GL-142.

Matter Under Consideration

12. *Engage Energy Canada, L.P. (Engage) - Transfer of Several Gas Export Licences*

On 7 May 1997, Engage applied for approval to transfer Licences GL-187, GL-221, GL-222, GL-223, GL-224, GL-225, GL-226 and GL-227 from Westcoast Gas Services Inc. to Engage Energy Canada, L.P.

On 4 March 1998, Engage requested to extend the time necessary to complete certain third party Consents to Assignment supporting the application. On 11 March 1998, the Board confirmed that it will hold Engage's application in abeyance.

ELECTRICITY MATTERS

Matters Completed

1. B.C. Hydro and Power Authority (BC Hydro) - Electricity Export Permits

On 17 December 1998, the Board approved an application dated 6 July 1998 from BC Hydro for electricity permits to export on a firm and interruptible basis for storage and equichange transfers of up to 6 000 gigawatt hours for each type of transfer. B.C. Hydro also requested electricity permits to export on a firm and interruptible basis for carrier and adjustment transfers of up to 28 800 gigawatt hours and 5 000 gigawatt hours, respectively. The term of each of the four permits is 10 years.

2. Manitoba Hydro-Electric Board - Electricity Export Permit

On 13 November 1998, the Board approved an application dated 18 September 1998 from Manitoba Hydro for an electricity permit as a border accommodation to export, to Roseau Electric Cooperative, Inc. in Minnesota, up to 3 000 kilowatts of power and up to 26 780 megawatt hours annually of firm energy for the period 1 October 1999 to 30 September 2004.

Matters Under Consideration

3. Canadian Niagara Power Company, Limited (CNPCL) - Power Line

On 8 September 1998, CNPCL applied for authorization to rehabilitate and operate an international power line. One circuit of the line would be a 115 000 volt circuit operating at 60 hertz; the other would have nominal voltage of 40 600 operating at 25 hertz. The line would extend a distance of approximately four kilometres from CNPCL's Station 18 located at Fort Erie, Ontario to a point on the international boundary on the Niagara River.

4. Cominco Ltd. - Electricity Export Permits

On 1 October 1998, Cominco applied for four electricity permits to export as follows:

- (a) carrier transfer for wheeling through the United States up to a maximum of 50 gigawatt hours in any consecutive 12-month period;
- (b) interruptible and firm transfers for sale, equichange, storage and adjustment up to a maximum of 1 000 gigawatt hours in any consecutive 12-month period;
- (c) miscellaneous firm equichange up to a maximum of 250 gigawatt hours in any consecutive 12-month period; and

- (d) unscheduled circulating flow with simultaneous return to Canada, up to a maximum of 1 000 gigawatt hours in any consecutive 12-month period;

for the period 1 January 1999 to 31 December 2003.

5. Duke Energy Marketing Canada Ltd (Duke Energy) - Electricity Export Permit

On 5 November 1998, Duke Energy applied for an electricity permit to export up to 1 000 megawatts of power and up to 2 000 gigawatt hours annually of either firm or interruptible energy to the United States for a period of 10 years.

6. HQ Energy Marketing Inc. (HQ Energy) - Electricity Export Permits

On 23 June 1998, HQ Energy applied for an electricity permit to export up to 6 000 megawatts of firm and interruptible power per year, and a maximum of 30 terawatt hours of firm energy and a maximum of 30 terawatt hours of interruptible energy per year, for a period of 20 years commencing on 1 November 1998.

7. Ontario Hydro - Assignment of Certificates and Permits

On 29 December 1998, Ontario Hydro applied to change the assignment of its certificates and permits from Ontario Hydro to Independent Electricity Market Operator, Ontario Power Generation Inc., and Ontario Hydro Services Company Inc. This is the result of the Ontario Government's enactment of the *Energy Competition Act*, 1998 which restructured Ontario Hydro.

PIPELINE MATTERS

Matters Completed

1. Safety Audit Report

The Board has adopted the Safety Management Audit to Verify Compliance with respect to the *Onshore Pipeline Regulations* and *Pipeline Crossing Regulations* for the following companies:

Consumers' Gas (Canada) Ltd. and Niagara Gas Transmission Limited	6 Nov. 1998
TransCanada PipeLines Limited (North Bay Region)	27 Nov. 1998
Foothills Pipelines (Sask.) Ltd.	10 Dec. 1998
Joint Ventures of the Bi-Provincial Upgrader	14 Dec. 1998

2. AEC Suffield Gas Pipeline Inc. (AEC) - Purchase Two Pipeline from NOVA Gas Transmission Ltd. (NGTL) and Install Tie-In Facilities

On 6 November 1998, the Board approved an application dated 2 October 1998 from AEC to purchase two natural gas

pipelines from NGTL and the installation of tie-in facilities to tie the NGTL pipelines into AEC's mainline.

The AEC pipeline system, certificated under GC-97, included a 10.9-kilometre pipeline lateral (AEC Koomati Lateral) extending from AEC's Koomati Processing Facility to its mainline. By purchasing the two laterals from NGTL, AEC will not construct the AEC Koomati Lateral. The first lateral that AEC will purchase extends from its Koomati Processing Facility through the NGTL Koomati Meter Station to a tie-in point on the NGTL system. The lateral is approximately 0.65 kilometres from the AEC Koomati Processing Facility. The second lateral that AEC will purchase extends from the NGTL Koomati Meter Station on to a tie-in with the NGTL system at its Schuler Meter Station.

3. CXY Energy Marketing (CXY) - Pipeline Construction

On 27 November 1998, the Board approved an application dated 7 July 1998 from CXY to construct a 38-kilometre (23-mile) pipeline, known as the Hay Pipeline, to deliver oil emulsion from Wascana Energy Inc.'s Hay oil field in British Columbia to a Husky Oil Operations Ltd. field facility in Alberta. The Hay Pipeline would have a design capacity of 1 900 cubic metres per day with an initial throughput of 1 200 cubic metres per day (1 000 cubic metres of oil and 200 cubic metres of water). The estimated cost of the facility is \$6 million.

4. Novagas Canada Pipelines Ltd. (NCPL) - Taylor to Boundary Lake Liquids Pipeline

On 1 October 1998, the Board approved NCPL's application for two tie-ins to its Pump Station of two pipelines. One pipeline is an 8-inch which runs from the outlet of the Solex Younger Straddle Plant at Taylor and the second line is a 6-inch line which runs from the outlet of Novagas Canada Ltd.'s West Soddart Gas Processing Plant.

On 22 October 1998, approved an amendment to Certificate OC-43 and a leave to open application.

On 3 July 1998, the Board approved an application dated 9 April 1998 from NCPL to: (i) acquire from Nevis Ltd. certain pipeline facilities which are identified as the Boundary Lake and Taylor pipelines; (ii) construct necessary interconnections between the existing Nevis pipelines and the portion of pipeline that has already been constructed under Certificate OC-43 (17 kilometres); (iii) relocate the NCPL pump station; and, (iv) upgrade the existing valves and install new ones.

NCPL also applied to change the service fluid in the existing Boundary Lake and Taylor pipelines from oil to high vapour pressure products. The Board considered this part of the application when it dealt with the leave to open application.

On 11 August 1997, the Board issued Certificate OC-43 to Novagas Clearinghouse Pipelines Ltd., now NCPL, to construct approximately 58 kilometres (35 miles) of natural gas liquids high vapour pressure pipeline with associated pumping and metering facilities from the Solex Developments Company Inc. straddle plant at Taylor, British Columbia to a NCPL metering facility in Alberta. The facilities will enable natural gas liquids including ethane, butane and condensate to be delivered to fractionation facilities in Alberta and subsequently delivered to markets. Since the issuance of Certificate OC-43 there have been new developments that have resulted, among other things, the proposed NCPL Taylor Straddle Plant not being constructed and the existing Younger Straddle Plant being expanded instead.

On 11 August 1998, NCPL applied for approval of leave to open the Taylor and Boundary Lake pipelines. On 27 August 1998, the Board sent a letter to NCPL advising the Company that the Board was not satisfied that the pipelines can be safely opened for the transmission of high vapour pressure products, and that before the Board considers NCPL's leave to open application, the Company has to do an in depth engineering assessment on the lines. On 4 September 1998, NCPL withdrew its application for leave to open and on 17 September 1998, the Company advised the Board that it no longer intends to use the existing Taylor pipeline to transport natural gas liquids from the Younger Straddle Plant to the pump station. On 1 October 1998, NCPL filed the results of the engineering assessment and a leave to open application for the Boundary Lake line.

5. Pioneer Natural Resources Canada Inc. (Pioneer) - Pipeline Construction

On 11 December 1998, the Board approved an application dated 2 September 1998 from Pioneer for approval to construct a 7.5-kilometre (4.6-mile) sweet natural gas pipeline between wellsite 9-11-97-13 W6M in Alberta and the existing Chinchaga facility at c-32-H/94-H-8 in British Columbia. In addition, Pioneer proposes to construct three laterals in Alberta totaling 1.3 kilometres (0.8 mile). The estimated cost of the pipelines is \$1.38 million.

6. Western & Pacific Pipelines Ltd. (W&P), as Agent for Pipestone Pipelines Ltd. (Pipestone) - Pipeline Construction

On 13 November 1998, W&P, on behalf of Pipestone, withdrew its application dated 15 July 1998 for approval to construct a 33-kilometre (20-mile) crude oil pipeline linking the proposed Wapella Pipelines Ltd. pipeline near Moosomin, Saskatchewan to the proposed Wapella Pipelines Manitoba Inc. pipeline near Elkhorn, Manitoba. Collectively, the three pipelines would have comprised the proposed Wapella Pipeline System and terminate at Cromer, Manitoba for delivery in the Enbridge Pipelines Inc.'s system. The estimated cost of the facilities was \$2.9 million.

7. Section 58 Applications

The Board has approved or is considering several applications under section 58 of the NEB Act involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. These matters may be considered by the Board without a public hearing. See Appendix III for a description of the applications approved or under consideration.

Matters Under Consideration

8. *Amber Energy Inc. (Amber) - Pipeline Construction - Ekwan Pipeline Project*

On 24 August 1998, Amber applied for approval to construct a 36-kilometre (22-mile) natural gas pipeline from Amber's Ekwan Gas Plant to be located at c-10-E/95-I-9 in British Columbia to a meter station on the Nova Gas Transmission system at Section 27-110-12-W6M in Alberta. The estimated cost of the pipeline is \$8.94 million.

On 23 October 1998, the Board sent a letter to Amber requesting additional information.

9. *Pen West Petroleum Ltd. (Penn West) - Pipeline Construction*

On 9 July 1998, Penn West applied for approval to construct a 33-kilometre (20.5-mile) natural gas pipeline between the Penn West Wildboy sales pipeline at b-33-A/94-P-10 in British Columbia to a Nova Gas Transmission Ltd. metering facility to be located at Section 7-34-120-12 W6M in Alberta. The estimated cost of the pipeline is \$7.8 million.

On 22 September, 8 October and 4 December 1998, the Board sent letters to Penn West requesting additional information.

TRAFFIC, TOLLS AND TARIFF MATTERS

Matters Completed

1. *Rate of Return for Group One Pipeline Companies for 1999*

On 24 November 1999, the Board approved a rate of return on common equity (ROE) of 9.58 per cent for 1999 for eight major pipeline companies classed as Group One by the Board.

As a result of the Board's 1994 multi-pipeline cost of capital decision, the ROE has dropped from 11.25 per cent in 1996 to 10.67 per cent in 1997 and 10.21 per cent in 1998.

The multi-pipeline cost of capital hearing decision established a mechanism to adjust the rate for 1996 and beyond without having to go to a public hearing process. The adjust-

ment mechanism is designed to take into account the year-to-year change in forecast long term (30 year) Government of Canada bond yields.

2. *TransCanada PipeLines Limited (TCPL) - Reports of the 1998.a Tolls Task Force*

TCPL applied for approval of several resolutions as contained in the above-noted reports. The Board approved the following:

Resolution	Date approved	Subject
01-98	17 Feb. 1998	FST differential calculation/Level for 1999 and Beyond
02-98	17 Feb. 1998	Tariff update: General Terms and conditions
03-98	17 Feb. 1998	Extension of Foreign Exchange Management Program
04-98	25 Feb. 1998	Elimination of single handshake service
05-98	23 Mar. 1998	Extension of the Pilot Parking and Loan Service
06-98	23 Mar. 1998	Enhanced Pipeline Maintenance Program (1998)
07-98	14 July 1998	Role of a facilitator
08-98	14 July 1998	Addition to receipt and delivery points
09-98	14 July 1998	Tolling conversion to energy
10-98	11 Aug. 1998	Tariff modifications for energy conversion
11-98	24 Aug. 1998	Balancing Pilot Service made permanent
12-98	25 Sept. 1998	Toll Application Agreement
13-98	16 Sept. 1998	Offer Enhanced Capacity Release 365 days a year
14-98	12 Nov. 1998	Convert 14.6 Bcf to FST service to FT service
15-98	23 Dec. 1998	Conversion of FST to FT - Appropriate base level for discretionary revenue
16-98	23 Dec. 1998	NEB moving cost recovery
17-98	23 Dec. 1998	Forecast interim tolls
18-98	23 Dec. 1998	Portland Pipeline delay

Matters Under Consideration

3. *Foothills Pipe Lines (Alta.) Ltd., Foothills Pipe Lines (South B.C.) and Foothills Pipe Lines (Sask.) Ltd. - 1998 Operating and Maintenance Expense Budgets*

On 27 November 1998, Foothills Pipe Lines Ltd. ("Foothills") applied, on behalf of the above noted subsidiaries, for approval of Operating and Maintenance Expense Budgets for the 12-month period ending on 31 December 1999.

On 17 December 1998, the Board advised Foothills that, before making a final decision on the applied-for budgets, it wished to consider Foothills' actual 1998 costs and the analysis of the 1999 operating and maintenance expense variances due to be filed with the Board on 28 February 1999. Therefore, the Board decided to issue an interim order approving interim budgets for the year ending 31 December 1999 equal to 50 percent of the budgets submitted.

4. *PanCanadian Petroleum Limited - Request for Condensate Transportation*

For further information on this matter, refer to item 4 under *Traffic, Tolls and Tariff Matters, Matters Under Consideration* of issue No. 62 of the *Regulatory Agenda* dated 1 October 1997.

FRONTIER MATTERS

1. *Frontier activities for the fourth quarter of 1998*

(a) Approval was given to Imperial Oil Resources Ltd. for the following activities at Norman Wells:

- (i) "Authority to Drill a Well" pursuant to section 83 of the *Canada Oil and Gas Drilling Regulations* (COGDR) to drill the well IMP Murphy Discovery Ridge D-04 on 23 November 1998.

(b) Approval was given to Paramount Resources Ltd. for the following:

- (i) "Application to Alter Condition of a Well" pursuant to Part VIII of the *Canada Oil and Gas Operations Act* (COGOA) for the following wells on 11 December 1998:

Paramount et al Bovie C-76A;

Paramount Berkley Netla M-23;

Paramount Berkley Arrowhead N-65;

Paramount Berkley Arrowhead O-15; and

Paramount et al Liard F-36.

(c) Approval was given to Grey Wolf Exploration Inc. for the following:

- (i) "Authority to Drill a Well" pursuant to section 83 of the COGDR to drill the following wells on 4 December 1998:

Grey Wolf - Canaxas DEH CHO-1 B-25;

Grey Wolf - Canaxas DEH CHO-2 B-14; and

Grey Wolf - Canaxas DEH CHO-3 P-45.

(d) Approval was given to Chevron Canada Resources for the surface casing setting depth for the well Chevron et al Liard K-29 pursuant to subsection 70(1)(b) of the COGDR on 2 November 1998.

(e) Approval was given to Suncor Energy Inc. for the following:

- (i) well name change pursuant to section 221 of the COGDR for the following well on 16 November 1998:

Sun Netla C-07 to Suncor Netla C-07

- (ii) "Application to Alter Condition of a Well" pursuant to Part VIII of the COGOA for the well Suncor Netla C-07 on 23 December 1998.

- (iii) for the surface casing setting depth for the well Suncor Netla K-77 pursuant to subsection 70(1)(b) of the COGDR on 3 December 1998.

- (iv) for the surface casing setting depth for the well Suncor Netla J-77 pursuant to subsection 70(1)(b) of the COGDR on 6 November 1998.

(f) Approval was given to Canadian Forest Oil Ltd. for the following:

- (i) "Authority to Drill a Well" pursuant to section 83 of the COGDR to drill the well CDN Forest et al Flett Rapids I-61 on 6 November 1998.

(g) Approval was given to Ranger Oil Limited for the following:

- (i) "Well Termination Record" pursuant to section 184 of the COGDR was issued for Ranger Fort Liard P-66A on 16 October 1998.

(h) Eleven new applications for geological, geophysical or geotechnical operation authorization were received and one application for an amendment to a previously authorized operation was received. Seven applications were approved pursuant to section 5 of the COGOA as follows, and one was withdrawn:

Company	Area	Date
Ranger Oil Ft.	Good Hope	03-11-1998
AEC West Ft.	Good Hope	30-10-1998

Northrock Resources	Ft. Norman	18-11-1998	Suncor Energy	Ft. Liard	24-12-1998
Grey Wolf	Norman Wells	08-12-1998	BFR Geophysical	Ft. Liard	02-12-1998
Canadian Forest Oils	Ft. Liard	29-12-1998	The remaining applications are being reviewed.		

Appeals and Review

Appeal Completed

1. Hydro-Québec - Access to Export Contract

At the end of September 1998, Hydro-Québec withdrew its Notice of Motion, dated 23 September 1996, filed with the Federal Court, Trial Division to review the Board's decision of 4 September 1996, pursuant to section 44(1) of the *Access to Information Act*, which decided that a copy of a firm diversity contract between Hydro-Québec and Consolidated Edison would be made available to Mouvement Au Courant as requested.

Appeals Pending

2. Alberta Department of Energy (ADOE) - Northstar Energy Corporation (NEC) - GH-1-98

On 25 May 1998, the ADOE applied to the Federal Court of Appeal for leave to appeal a ruling of the Board dated 24 April 1998 in which it dismissed a motion by the ADOE challenging the Board's jurisdiction to hear an application by NEC to construct a pipeline on the grounds that the NEC application involved a local work and undertaking, rather than an extraprovincial work and undertaking.

The ADOE also applied to the Board for a Stay of Execution of the Board's Decision GH-1-98. On 4 June 1998, the Board denied the application for a Stay of Execution. Subsequent to the Board's dismissal of the stay application, ADOE, on 24 June 1998, filed with the Federal Court of Appeal an application for leave to appeal the Board's decision dated 24 April 1998.

The Federal Court granted the leave to appeal and stayed the Board's GH-1-98 Decision. An appeal has been filed and is pending before the Court.

3. Canadian Hunter Exploration Ltd. (CHEL) - Tidal Resources Inc.

On 22 August 1996, CHEL filed with the Federal Court of Appeal an application for leave to appeal the Board's decision of 25 July 1996 in which it decided, as a result of the approval of Tidal Resources Inc.'s application to construct a pipeline, that it had jurisdiction over certain upstream gathering facilities located within the province of British Columbia which are owned and operated by CHEL.

The Court granted the leave to appeal application and an appeal has been filed. Memorandum of Points of Argument have been served by CHEL and the provinces of Alberta and British Columbia.

4. The Industrial Cape Breton Community Alliance Group (Alliance) on the Sable Gas Project

On 25 November 1997, the Alliance filed an Originating Notice of Motion with the Federal Court of Canada, Trial Division for the purpose of having the Joint Public Review Panel Report dated 27 October 1997, and the Report of the Commissioner for the Canada-Nova Scotia Offshore Petroleum Board dated 27 October 1997, reviewed, set aside and referred back to the Joint Panel and the Commissioner and that they direct Sable Offshore Energy Project to file a socio-economic impact study incorporating an economic cost-benefit analysis and the environmental effects of the project on Cape Breton. On the same date, the Alliance filed a similar Originating Notice of Motion with the Federal Court of Appeal. Proceedings have been consolidated in the Federal Court, Trial Division. This judicial review application will be heard in May.

5. Union Gas Limited (Union) - Trans Quebec & Maritimes Pipeline Inc. (TQM) - PNGTS Extension - GH-1-97

On 4 May 1998, Union applied to the Federal Court of Appeal for a judicial review of the Board's Reasons for Decision issued on 3 April 1998 regarding an application by TQM to construct a pipeline from Lachenaie, Quebec to the New Hampshire border near Pittsburg, U.S.A.

Union applied for a *writ of mandamus* requiring the Board to issue reasons for the GH-1-97 Decision addressing the issues and evidence that were before the Board during the GH-1-97 Hearing.

6. Union of Nova Scotia Indians et al - Maritimes & Northeast Pipeline Management Ltd. (M&NP)

The Union of Novas Scotia Indians et al applied to the Federal court of Appeal for a judicial review or for leave to appeal a decision by the Board that M&NP had complied with condition 22 of Certificate

GC-95. This application was commenced on 12 November 1998. A number of interlocutory applications haves been filed and are pending before the Court.

Review Completed

1. Municipality of the District of Guysborough (Municipality) - Maritimes & Northeast Pipeline Management Ltd. (M&NP) - Point Tupper Lateral - GH-4-98.

On 13 November 1998, the Municipality, located in Nova Scotia, applied for a review of the Board's decision of 6 November 1998 denying the Municipality's request for late intervenor status in the Point Tupper Lateral Hearing. The Municipality's request for late intervenor status was made well after the deadline date for interventions. The Board was concerned that granting the request would result in further

delays in the proceeding and may prejudice M&NP or other parties in the Point Tupper Lateral.

In its application for review, the Municipality stated that: "...the Municipality is the local Government of the Citizens who will be most directly affected by this project. The Municipality is the level of Government closest to the Citizens of the affected area, and it cannot be certain that the voices of the affected Citizens will be effectively represented, unless the Municipality is granted intervenor status."

On 19 November 1998, the Board granted the review and decided to accept the Municipality as an intervenor in the GH-4-98 Hearing.

Amendments to Guidelines and Regulations

Amendments to the Board's guidelines and regulations completed or in various stages of preparation, include the following:

1. National Energy Board Act Part VI (Oil and Gas) Regulations

The Board is proceeding with recommending that the Governor-In-Council approve amendments to the Regulations because some provisions in the existing Regulations are inconsistent with the new market-based approach to regulating the long-term exportation of crude oil.

2. Onshore Pipeline Regulations

On 8 April 1997, the Board forwarded a new draft consolidation of the *Onshore Pipeline Regulations* to the Department of Justice for legal review. 'Blue Stamped' copy of these regulations was issued by Justice on 28 September 1998.

The *Onshore Pipeline Regulations* specify the requirements for the protection of property and the environment and safety of the public and company employees in the design, construction, operation, maintenance and abandonment of an onshore pipeline.

A set of companion guidelines to these regulations is being prepared for completion in January 1999.

3. Offshore Pipeline Regulations

The *Offshore Pipeline Regulations* will specify the requirements for the protection of property and the environment and the safety of the public and the company's employees in the design, construction, operation and abandonment of an offshore pipeline.

The Regulations are at the drafting stage.

4. Hydrocarbon Processing Plant Regulations

Draft Hydrocarbon Processing Plant Regulations are estimated to be completed later in 1999.

5. Regulations and Guidelines Pertaining to Canada Oil and Gas Operations Act

The process of creating and amending regulations pertaining to oil and gas activities, under the provisions of the *Canada Oil and Gas Operations Act*, proclaimed in force in September 1992, is continuing. At present, the regulatory agenda is as follows:

Regulations and Guidelines being drafted:

Canada Oil and Gas Occupational Safety and Health Regulations - Amendments

Canada Oil and Gas Drilling Regulations - Re-structuring

Canada Oil and Gas Production and Conservation Regulations - Amendment

Canada Oil and Gas Diving Regulations - Amendment

Newfoundland Offshore Area Petroleum Occupational Safety and Health Regulations

Nova Scotia Offshore Area Petroleum Occupational Safety and Health Regulations

Physical Environmental Guidelines for Drilling Programs on Frontier Lands

Other Matters

Non-Associated Natural Gas Resource Assessment of Saskatchewan

On 26 October 1998, the Board issued a report entitled *Non-Associated Natural Gas Resource Assessment Study - Saskatchewan*. The study was initiated by the Board to identify undiscovered non-associated gas potential in Saskatchewan and is part of the Board's ongoing effort to determine estimates of undiscovered gas potential in various parts of Canada. Saskatchewan Energy and Mines provided assistance and comments during the preparation of the study; however, the conclusions and interpretations presented are those of the Board.

The Board found that the estimate of undiscovered marketable non-associated gas potential for Saskatchewan is 45.6 billion cubic metres (1.6 trillion cubic feet). The range of undiscovered marketable non-associated gas potential is from 21.0 billion cubic metres (0.7 trillion cubic feet) to 69.3 billion cubic metres (2.9 trillion cubic feet). Much of the gas potential estimate, amounting to 40.1 billion cubic metres (1.4 trillion cubic feet), is forecast to be from Viking and Mannville gas pools. Comments on the study are welcome and would assist in planning any future study on this or related matters.

Estimate of Hydrocarbon Volumes in the Mackenzie Delta and Beaufort Sea

On 17 December 1998, the Board released a report entitled *Probabilistic Estimate of Hydrocarbon Volumes in the Mackenzie Delta and Beaufort Sea Discoveries*. The study provides a comprehensive estimate of the discovered resources in the Mackenzie Basin and Beaufort Sea region from 69° to 71° north.

The Board estimates, at the 90 per cent confidence interval, that between 93.0 million cubic metres (0.585 billion barrels) and 229.0 million cubic metres (1.44 billion barrels) of recoverable oil and between 186 billion cubic metres (6.57 trillion cubic feet) and 349 billion cubic metres (12.2 trillion cubic feet) of marketable natural gas has been discovered in the Mackenzie Delta and Beaufort Sea region.

The study includes all oil and natural gas discoveries to date. The 53 discoveries (20 natural gas, 13 oil and 20 oil and natural gas) were made between 1970 and 1989 and are divided almost equally between the Beaufort Sea and the

near to onshore Mackenzie Delta. At best current estimate, which is approximately 50 per cent probability, the largest onshore gas field is Taglu located on Richards Island, discovered in 1971, with an estimated marketable natural gas resource of 58.6 billion cubic metres

(2.07 trillion cubic feet). Similarly, the largest offshore field is Amauligak located in the Beaufort Sea about 50 kilometres offshore, discovered in 1984, with an estimated recoverable oil resource of 37.3 million cubic metres (235 million barrels). The best current estimate of the total discovered resource in the Beaufort-Mackenzie Basin is: 161 million cubic metres (1.01 billion barrels) of recoverable oil and 255 billion cubic metres (9.0 trillion cubic feet) of marketable natural gas.

Canadian Energy Supply and Demand - 1998-2025

The Board is preparing a report entitled *"Canadian Energy Supply and Demand 1998-2025"*. This report, scheduled to be published in June 1999, will provide an analysis of energy trends, issues and developments impacting Canada over the next quarter century. As part of this process, the Board has conducted public consultations to obtain the views of interested parties. The focus of the consultations was to firstly, obtain comments concerning the assumptions, emerging energy issues and scope of the report; and, secondly, seek comments on the resulting analysis.

The first round of public consultations took place in April and May 1998 in Calgary, Ottawa, Montreal, Halifax, St. John's, Vancouver and Regina.

On 13 March 1998, a consultation package was made available which comprised the Board's assumptions and issues to be discussed in these workshops. Alternatively, or in addition to the workshops, interested parties were invited to make written comments or submit papers on the consultation package.

On 6 January 1998, the Board issued the preliminary results for the second round of consultation. The format of the Round 2 consultation will be similar to the first round, i.e. public meetings in eight major cities (Vancouver, Calgary, Regina, Toronto, Ottawa, Montreal, Halifax and St. John's). The Board will be seeking comments on the preliminary results and guidance on further sensitivity analysis.

Administrative Matters

Board Member

Mrs. Anita Côté-Verhaaf's term as a Board Member has been extended from 31 December 1998 to 31 March 1999. Mrs. Côté-Verhaaf was appointed Member of the Board in 1989. She was re-appointed from 29 August 1996 to 31 December 1998. Before joining the Board, she held positions in the private sector as researcher, consultant and executive advisor in energy economics between 1978 and 1989.

Mrs. Côté-Verhaaf, who was born in St.-Éloi, Québec, earned her Master of Science degree in Economics at the University of Montreal.

Staff

Ms. Bonnie Gray has accepted the position of Professional Leader, Environment effective 9 November 1998.

For the past 7 years, Ms. Gray has been a Vice-President at AGRA Earth & International. She has extensive experience in environmental assessment and project management, most of it in the oil and gas sector, both in Alberta and abroad. For the past three years she has been the environmental project manager for Exxon's offshore Sakhalin oil development. She has been the project manager or closely involved in the environmental assessments of Shell's Scotford upgrader, the Westcastle Ski Resort, Conoco's Ardalin field development, the KomiArctic Joint Venture, the Rafferty-Alameda dam, etc.

Prior to AGRA, Ms. Gray was partner in an environmental consulting firm, a senior environmental consultant, a Terrain Scientist with the Canadian Parks Service and the Northern Pipeline Agency, and an Environmental Scientist with Environment Canada, Lands Directorate. She holds a Master of Arts degree in Physical Geography from Carleton University and a Bachelor of Arts (Honours) degree in Climatology, also from Carleton.

Speech

The National Energy Board and Pipeline Watercourse Crossings, a presentation by Dr. Diana Valiela, Board Member, to the Canadian Pipeline Water Crossing Committee Workshop held in Banff, Alberta on 25 November 1998. (Slides only)

Energy Regulatory Issues in Canada, a Federal Perspective, a presentation by Kenneth Vollman, Chairman, to INTENCO Client Meeting held in Calgary on 3 December 1998. (Slides only)

Documents Issued - 1 October to 31 December 1998

Reasons for Decision

Souris Valley Pipeline Limited - Carbon Dioxide Pipeline - MH-1-98 - October 1998.

Maritimes & Northeast Pipeline Management Ltd.- Sable Offshore Energy Inc. - Detailed Route Hearings - Pipeline Projects in the Maritimes - MH-3-98 and MH-4-98 - October 1998.

Alliance Pipeline Ltd. - Natural Gas Pipeline - November 1998.

TransCanada PipeLines Limited - 1999 Facilities - GH-3-98 - December 1998.

Reports

Non-Associated Natural Gas Resource Assessment of Saskatchewan - October 1998

Estimate of Hydrocarbon Volumes in the Mackenzie Delta and Beaufort Sea - December 1998

Instructions for Filing

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 444 Seventh Avenue S.W., Calgary, AB T2P 0X8; Telephone (403) 292-4800; Fax (403) 292-5503.

Appendix I lists the number of copies required for the different types of applications.

Telephone Numbers

Appendix II lists the telephone number of Board Members and key staff.

Web Site

Internet users are invited to visit the Board's Internet home page at <http://www.neb.gc.ca>.

Board Document System (BDS)

The Board's BDS system is available to the public, offering direct access to an electronic library of regulatory documents. Document contents may be searched on-line with full-text search capabilities. Presently, the system contains Reasons for Decision dating from 1985 and hearing transcripts from 1991. Other document types will be added gradually, as they become available in standardized electronic format. The BDS may be used from remote locations or at the Board's Calgary office. The only cost to users will be long-distance telephone charges, if any, to connect to the system.

All users are asked to register with the Board and sign a public access agreement. This agreement explains the responsibilities of the user and outlines relevant terms and conditions. Request for a user account may be made by mail, facsimile or telephone at (403) 292-4800. For more infor-

mation, a brochure on the Board Document System is also available.

National Energy Board

Michel L. Mantha

Secretary

For information:

Denis Tremblay

Communications Officer

Tel: (403) 299-2717

Email: denis.tremblay@neb.gc.ca

For copies of documents:

Publications Office

Tel: (403) 299-3562

Fax: (403) 292-5503

Email: <http://www.orders@neb.gc.ca>

Appendix I

Number of Copies Required for Filings

Applicants are requested to provide the following number of copies of their applications or other filings to the National Energy Board. For matters not listed below, one copy is sufficient.

Type of Application or Filing	No. of Copies	Type of Application or Filing	No. of Copies
(a) Hearing Matters		(iii) Oil Exports	
(i) Certificates		Registered Oil Export Orders	05
Pipeline	25	(iv) Tolls	
Power Line	20	Class I and II Adjustments	20
(ii) Export Licences		Interim Orders	20
Natural Gas	25	Operating and Maintenance Budgets	20
Electricity	20	Changes in Depreciation Rates	20
(iii) Tolls	25	Quarterly Surveillance Reports	20
(iv) Land Acquisitions	20	New or Changed Tariffs	20
(b) Non-Hearing Matters		Domestic Gas Sales Contracts and Amendments	20
(i) Natural Gas		Amendments to Tariff Orders	20
Export Orders	20	(v) Pipelines and Power Lines	
Orders for Transmission Access	20	Permits	15
Licence Amendments	20	Exemption Orders Pipelines (Sec. 58)	20
Amendments to Export Contracts	20	Certificate Amendments	20
Licence Revocations	20	Leave to Sell or Transfer	20
(ii) Electricity Exports		Incident Reports	20
Permits	15	(vi) Other	
Licence or Permit Amendments	15	Application for Review	20
Licence or Permit Revocations	15		

The number of copies of interventions or submissions to be provided in response to applications will be specified in the applicable hearing order. Parties who would find the provision of multiple copies an undue financial burden may file one copy, with a request to be excused from multiple filing.

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 444 Seventh Avenue S.W., Calgary, AB T2P 0X8 Telephone (403) 292-4800; Fax (403) 292-5503.

Appendix II

Selected List of Telephone Numbers

(Area Code 403)

General Information	292-4800
Incident Reporting Number	1-800-632-1663
	1-800-NEB-1-ONE
Publication Office	Tel: 299-3562
	Fax: 292-5503
	Email: http://www.orders@neb.gc.ca
Web Site	http://www.neb.gc.ca

Board Members

Chairman	Kenneth Vollman	299-2730
Assistant	Carmen Morin	299-2725
Vice Chairman	Kenneth Vollman	299-2730
Assistant	Lillian Handelman	299-2741
Member ^(a)	Anita Côté-Verhaaf	299-2739
Assistant	Lillian Handelman	299-2741
Member	Judith Snider	299-2737
Assistant	Louise Niro	299-2734
Member	Diana Valiela	299-2729
Assistant	Geraldine Green	299-2728
Member	Rowland J. Harrison	299-2736
Assistant	Margaret Merta	299-2734
Member	John S. Bulger	299-2705
Assistant	Geraldine Green	299-2728
Temporary Member ^(b)	Gaétan Caron	299-2700
Admin. Assistant	Jan Dane	299-2701
Temporary Member ^(c)	C. Mervin Ozirny	299-2740
Assistant	Geraldine Green	299-2728

(a) Term extended from 1 January to 31 March 1999.

(b) Temporary member appointed on 4 September 1997 to 4 September 1999.

(c) Temporary member appointed on 28 October 1997 to 28 January 1999.

Executive Director

Executive Director	Gaétan Caron	299-2700
Admin. Assistant	Jan Dane	299-2701

Professional Leaders

Professional Leader, Environmental	Bonnie Gray	299-3675
Energy Resources	Vacant	

Engineer	Frank Gareau	299-3178
Economics	Glenn Booth	299-3621

Legal Services

General Counsel and Director	Judith Hanebury	292-6497
Counsel	Peter Noonan	299-3552
Paralegal/Admin.	Susan Gudgeon	299-2704
Counsel	Margery Fowke	299-2708
Counsel	Claire McKinnon	299-2707
Counsel	Peter Enderwick	292-4104
Paralegal	Corina Smith	299-3551
Counsel	Lori Ann Boychuk	292-2709
Counsel	Christine Beauchemin	292-6489
Counsel	Gino Grondin	292-6495
Counsel	Guy Delisle	299-3937
Paralegal	Helen Benes	292-6540

Information Management Business Unit

Business Unit Leader	Scott Richardson	299-2711
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Secretary and Team Leader Regulatory Operations

	Michel Mantha	299-2714
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Technical Project Manager, Electronic Regulatory Filing

	Neil Levette	299-3613
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Communications

Team Leader	Karla Reesor	299-2713
Communications Officer	Denis Tremblay	299-2717
Communications Officer	Ross Hicks	299-3930
Communications Officer	Ruth Grenville	299-2719
Reception		292-4800

Library

Team Leader	Shawn Aitken	299-3932
Library, Information		299-3561

Applications Business Unit

Business Unit Leader	Brenda Kenny	299-3565
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TransCanada PipeLines Limited and Trans Québec & Maritimes Pipeline Inc.

Team Leader	Steve Brown	299-3653
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Westcoast Energy Inc. and Trans Mountain Pipe Line Company Ltd.

Team Leader Hans Pols 299-3189

Interprovincial Pipe Line Inc., Trans-Northern Pipelines Inc. and Express Pipeline Ltd.

Team Leader Christine van Egmond 299-2783

Alberta Natural Gas Company Ltd. and Foothills Pipe Lines Ltd.

Team Leader Jim Fox 299-3628

Exports, Cochin Pipe Lines Ltd. and Natural Gas Liquids Pipelines

Team Leader Gurdeep Gill 299-3659

Commodities Business Unit

Business Unit Leader Terrance Rochefort 299-3646

Commodity Convergence

Team Leader Jawed Aziz 299-3630

Gas

Team Leader Bill Bingham 299-3198

Oil

Team Leader Barry Lynch 299-3197

Electricity

Team Leader Julian Emanuel 299-3186

Resource Assessment

Team Leader Jim Davidson 299-3135

Operations Business Unit

Business Unit Leader John McCarthy 299-2766

Health, Safety and Environment

Team Leader Wayne Marshall 299-3901

Exploration and Development

Team Leader Terry Baker 299-2792

Regulatory Development

Team Leader Bharat Dixit 299-3903

Pipeline Accident Investigation

Team Leader Paul Trudel 299-2768

Corporate Services Business Unit

Business Unit Leader Sylvia Farrant 299-2703
Assistant 292-4056

Human Resources Development

Team Leader Christine Elder 299-3698

Labour Management

Team Leader Earl Schultz 299-3620

Planning and Reporting

Team Leader Peter Schnell 292-6137

Supply Management

Team Leader Bryan Labbé 299-3916

Appendix III

Section 58 Applications

The Board has approved or is considering several applications under section 58 of the NEB Act involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. These matters may be considered by the Board without a public hearing.

Gas Pipelines

Applicants	File/Order Nos.	Application	Est. Cost
AEC Suffield Gas Pipeline Inc.	File: 3400-A163-1 Order: MO-48-98	Application dated 2 October; approved on 6 November. Install tie-in facilities.	50 000
Amber Energy Inc.	File: 3400-A167-1 Decision pending.	Application dated 24 August. Construction of processed natural gas pipeline from its Ekwan gas plant to be located at c-10-E/94-I-9 in B.C. to meter station on NOVA system at Section 27-110-12-W6M in Alberta. On 23 October, the Board sent a letter to Amber Energy requesting additional information.	8,940,000
Novagas Canada Pipelines Ltd.	File: 3400-N62-2 Order: XG-N62-31-98	Application dated 17 September; approved on 1 October. Construct tie-ins for two pipelines to NCPL's pump station; an 8 inch from the Younger Straddle Plant, and a 6 inch from the West Stoddart Gas Processing Plant.	75,000
Penn West Petroleum Ltd.	File: 3400-P166-2 Decision pending.	Application dated 9 July . Construction of a 33 km pipeline in northern Alberta and British Columbia. On 22 September and 8 October the Board sent letters to Penn West requesting additional information.	7,810,300
Pioneer Natural Resources Canada Inc	File: 3400-P177-1 Order: XG-P177-66-98	Application dated 2 September; approved on 11 December. Construction of an NPS 8 sweet natural gas pipeline between wellsite 9-11-97-13 W6M in Alberta and existing Chinchaga facility at c-32-H/94-H-8 in B.C.	1, 380, 000
TransCanada PipeLines Limited	File: 3400-T1-159 Order: XG-T1-61-98	Application dated 1 September; approved on 8 October. Construction No. 13: Install facilities for one new receipt and four new delivery points.	644,000
	File: 3400-T1-161 Order: XG-T1-65-98	Application dated 2 October; approved on 26 November. Install pig launchers and receivers and isolating joints.	17 340 000
Westcoast Energy Inc.	File: 3400-W5-205 Order: XG-W5-62-98	Application dated 14 August; approved on 8 October. Upgrade Meter Station 66 for increased volume of gas to and from expanded Solex Straddle Plant .	627,000
	File: 3400-W5-207 Order: XG-W5-63-98	Application dated 7 October. Approved on 21 October. Relocate sending barrel from km 0.0 to km 2.0 on North Jedney Extension Pipeline.	60,000

Oil Pipelines

Applicants	File/Order Nos.	Application	Est. Cost
CXY Energy Marketing	File: 3400-C373-1 Decision pending.	Application dated 7 July 1998. Construct an oil emulsion pipeline. On 12 August and 14 October 1998, the Board sent letters to CXY requesting additional information.	6,000,000
Enbridge Pipelines Inc.	File: 3400-E101-33 Order: XO-E101-34-98	Application dated 28 October; approved on 20 November. Construct and operate the Probe/IOL Connection to Enbridge's Edmonton Terminal.	449 000
Enbridge Pipelines (Westspur) Inc.	File: 3400-W2-23 Order: XO-W2-33-98	Application dated 1 October; approved on 20 November. Construct the Gainsborough Lateral, a 1.2-kilometre long pipeline between Manitoba and Saskatchewan.	145 000
Enbridge Pipelines Inc.	File: 3400-E101-5 Order: XO-E101-36-98	Application dated 5 November; approved on 26 November. System Expansion Program Phase II at Edmonton Terminal for the modification of station piping and connections.	100 000
Express Pipeline Ltd.	File: 3400-E92-5 Order: XO-E92-37-98	Application dated 27 October; approved on 25 November. Project EPL-030: Hardisty Oil Trim Blend Connections, for the installation and operation of flanged trim blend connections to Express facilities in the Husky Oil terminal.	5 000
Interprovincial Pipe Line Inc.	File: 3401-J1-2-4 Order: XO-J1-32-98	Application dated 27 July 1998. Approved on 14 October 1998. Replacement of Bonnie Glen Meters at Edmonton Terminal.	158,000
Trans Mountain Pipe Line Ltd.	File: 3400-T4-60 Order: XO-T4-39-98	Application dated 9 October; approved on 24 December. Cut-outs and replacement of sections of mainline pipe containing defect and 40 capital projects.	13 776 000
Trans-Northern Pipelines Inc.	File: 3400-T002-36 Order: MO-T2-49-98	Application dated 1 October; approved on 12 November. Three pipeline lowering projects in Ville de Laval, Duverney Quebec.	240 000
Westspur Pipe Line Company Inc.	File: 3400-W2-23 Decision pending.	Application dated 1 October 1998. Construction of Gainsborough Lateral 1.2 km line with associated valve and pump facilities between Manitoba (LSD 13-6-3-29 W1M) and Saskatchewan (LSD 12-1-3-30 W1M)	145,000

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament. Over the course of its history, it has played an important role in the development of Canada's energy sector.

The Board's regulatory powers under the *National Energy Board Act* include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and designated interprovincial and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment, and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by the Ministry of Labour to administer Part II of the *Canada Labour Code*.

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as represented by the National Energy Board

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Regulatory Agenda

The period covered in this Regulatory Agenda is 1 January to 31 March 1999

Applications Considered by Public Hearing

Recent Hearing Decisions

1. *Maritimes and Northeast Pipeline Management Ltd. (M&NP) - Point Tupper Lateral - GH-4-98*

Reasons for Decision dated January 1999; issued on 18 January 1999.

The Board approved an application from M&NP to build and operate a natural gas lateral pipeline to Point Tupper, Nova Scotia. The project is designed to take natural gas from M&NP's main transmission pipeline to Point Tupper from a point near Goldboro, Nova Scotia.

The project will consist of approximately 59 kilometres (37 miles) of pipeline and associated facilities. Approximately 55 kilometres (34 miles) of pipeline will take gas from the Sable Offshore Energy Inc. (SOEI) gas processing plant near Goldboro to a delivery point at the SOEI fractionation plant in Point Tupper and a further four kilometres (2.5 miles) of pipeline will take gas to two other delivery points in the Point Tupper area. The estimated cost of the project is \$21 million and the planned in-service date is 1 November 1999.

The Board considered the application at a public hearing held from 23 November to 1 December 1998 in Antigonish, Nova Scotia.

2. *Maritimes & Northeast Pipeline Management Ltd. (M&NP) - Detailed Route Hearings - Pipeline Projects in the Maritimes - MH-3-98*

Letters of Decision dated and issued on 26 January 1999.

The Board found that an alternate route proposed by William MacDonald of Pictou County, Nova Scotia is the best possible detailed route for M&NP's pipeline and has denied the route applied for by the Company. In another case, the Board found that the route proposed by M&NP in the case of Franklin Irving of Charlotte County, New Brunswick is the best possible detailed route.

In the case of Mr. MacDonald, the Board found that the route proposed by M&NP would require significantly more mitigation than the alternate route proposed by Mr. MacDonald. The Board also found that there would be significant impact on the Red Tail Nature Awareness Camp owned by Mr. MacDonald, which could not be fully mitigated, and therefore denied the route proposed by M&NP.

In the case of Mr. Irving, the Board found that the evidence did not show that the alternate route proposed by him would be superior to the route proposed by M&NP. The Board concluded that M&NP's route represented an appropriate balance of all relevant factors and therefore found that the route

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PREFACE

The purpose of this quarterly agenda is to provide information on the Board's activities.

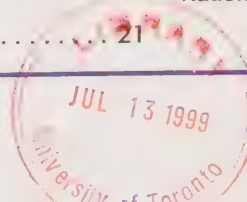
Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the National Energy Board Act, R.S.C. 1985, c.N-7, as amended.

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National Energy
Board



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National Energy Board

proposed by the Company was the best possible detailed route.

The decisions follow video hearings conducted on 8 January and 11 January 1999 subsequent to the Board reserving its decision in these cases at the conclusion of detailed route hearings held in July and August 1998.

3. BC Gas Utility (BC Gas) - Service on Westcoast Energy Inc. (WEI) - Toll Methodology - RH-2-98

Reasons for Decision dated March 1999; issued on 26 March 1999.

The Board approved a request by BC Gas for a receipt point on the WEI natural gas pipeline at Kingsvale, British Columbia.

BC Gas applied to the Board for the access and associated tolling matters after being refused by WEI on 3 June 1998.

In its decision, the Board directed WEI to establish a new receipt point at Kingsvale and to receive, transport and deliver any gas delivered at Kingsvale to the Huntingdon Delivery Area. The Board also decided that the appropriate toll for firm service from Kingsvale to Huntingdon will be the Zone 4 toll from Station 2 to Huntingdon.

The Board considered the request at a public hearing held in Vancouver, British Columbia from 22 to 26 February 1999.

4. Vector Pipeline Limited Partnership (Vector) - Pipeline Construction - GH-5-98

Reasons for Decision dated March 1999; issued on 31 March 1999.

The Board approved an application by Vector to construct and operate a natural gas pipeline in southwestern Ontario.

The planned Vector pipeline project is part of a new international pipeline project to provide natural gas transmission service between the large market hub located at Joliet near Chicago, Illinois to the existing hub located at Dawn, Ontario. The total project will consist of approximately 552 kilometres (343 miles) of pipeline.

In Canada, Vector plans to construct and operate approximately 24 kilometres (15 miles) of pipeline, extending from a point along the international boundary in the St. Clair River near Sarnia, Ontario to a point near Dawn. The initial capacity of the pipeline will be 28.3 million cubic metres (one billion cubic feet) per day. The estimated cost of the Canadian portion of the project is \$35.4 million and the planned in-service date is October 2000.

The Board considered the application at a public hearing held in London, Ontario on 18, 19 and 20 January 1999.

Hearing in Progress

1. Enron Capital & Trade Resources Corp. (ECTR) - Natural Gas Export Licence - GHW-1-99

The Board is holding a written public hearing on an application from ECTR to export natural gas, for a 10-year period commencing on 1 November 1999, to serve its markets in the United States.

The natural gas would be exported from St. Clair, Ontario. The volumes proposed to be exported are:

Daily - 566 600 cubic metres (20.0 million cubic feet);
Annually - 206.8 million cubic metres (7.3 billion cubic feet);
Term - 2 068.0 million cubic metres (73.0 billion cubic feet). The natural gas would be purchased from PanCanadian Petroleum Limited's supply within the province of Alberta.

Hearings Scheduled

1. Alliance Pipeline Ltd. (Alliance) - Detailed Route Hearings - MH-1-99 and MH-2-99

The Board will hold public hearings in response to written statements of opposition concerning portions of the proposed detailed route of the Alliance Pipeline Project in Canada.

The Board will hear the route objections starting on 12 April 1999 in Regina, Saskatchewan. The hearings will continue in Edmonton, Maythorpe and Grande Prairie, Alberta on 26 April, 17 May and 31 May, respectively, and in Fort St. John, British Columbia on 14 June.

On 3 December 1998, the Board issued, following a 77-day public hearing, a certificate approving the construction and operation of the Canadian portion of the Alliance Pipeline Project. The Board also approved the general route of the pipeline at that time.

Alliance subsequently applied to the Board for approval of plans, profiles and books of reference showing the proposed detailed route of the pipeline. In addition, Alliance served notices on owners of lands proposed to be acquired and published notices in newspapers in the vicinity of the proposed detailed route. Landowners and other interested persons had 30 days in which to file an objection with the Board.

The issues to be discussed at the upcoming hearings are limited to (i) the best possible detailed route of the pipeline and (ii) the most appropriate methods and timing of construction. The Board will not reconsider the issues that were addressed during the certificate hearing, such as the need for the pipeline. Compensation for land use is also outside the scope of the hearings. For resolution of compensation disputes, landowners have the right under the *National Energy Board Act* to apply to the Minister of Natural Resources Canada for negotiation or arbitration.

Alliance plans to construct and operate a high pressure natural gas pipeline system from northeastern British Columbia and northwestern Alberta and across Saskatchewan to the midwest United States. The Canadian portion of the system will consist of approximately 2 300 kilometres (1 430 miles) of pipeline ranging up to 1067 millimetres (42 inches) in diameter and other facilities including seven mainline compressor stations. The pipeline is scheduled to be in service in the second half of the year 2000 and will be capable of delivering 37.5 million cubic metres (1.325 billion cubic feet) of natural gas per day. The estimated cost of the Canadian-based facilities is in excess of \$2 billion.

2. Imperial Oil Resources Limited (Imperial) and Boston Gas Company (Boston Gas) - Export of Natural Gas from Sable Island - GH-1-99

The Board will hold a public hearing commencing on 4 May 1999 in Halifax, Nova Scotia on a joint application from Imperial and Boston Gas for a licence to export natural gas to serve Boston Gas' markets in the State of Massachusetts. The companies plan to export the natural gas during the period 1 November 1999 to 31 March 2007.

The natural gas would be exported from St. Stephen, New Brunswick. The volumes proposed to be exported are: Daily - 1.2 million cubic metres (42.4 million cubic feet); Annually - 440.0 million cubic metres (15.5 billion cubic feet); Term - 3.3 billion cubic metres (115.0 billion cubic feet). The natural gas would be produced from the Sable Offshore Energy Project on Canada's east coast.

3. Maritimes and Northeast Pipeline Management Ltd. (M&NP) - Halifax Lateral - GH-2-99

The Board will hold a public hearing commencing on 10 May 1999 in Halifax, Nova Scotia on an application from M&NP to construct and operate a natural gas lateral pipeline to Dartmouth, Nova Scotia. The Halifax Lateral Pipeline Project is designed to take natural gas from a point near Stellarton, Nova Scotia to the Tufts Cove generating station in Dartmouth.

The Project will consist of approximately 121 kilometres (75 miles) of pipeline and associated facilities. The estimated cost of the project is \$74 million and the expected in-service date is 1 November 2000.

Hearings Postponed

1. Mr. Robert A. Milne, 3336101 Ontario Limited, c.o.b. as Milne Crushing & Screening - MH-1-97

For more information on this matter, refer to item 1 under *Hearings Postponed* in issue No. 62 of the *Regulatory Agenda* dated 1 October 1997.

2. TransCanada PipeLines Limited - Contract Renewal Rights and Expansion Policy Requirements - RH-3-97

For more information on this matter, refer to item 2 under *Hearings Postponed* in issue No. 62 of the *Regulatory Agenda* dated 1 October 1997.

3. Crowsnest Pipeline Project (CNP) - Natural Gas Pipeline

For more information on this matter, refer to item 1 under *Hearing Applications, Hearing Application Suspended* of issue No. 63 of the *Regulatory Agenda* dated 1 January 1998.

Hearing Applications Filed

1. Maritimes & Northeast Pipeline Management Ltd. (M&NP) - Saint John Lateral

On 5 June 1998, M&NP filed an application for approval to construct and operate a natural gas pipeline lateral to Saint John, New Brunswick.

M&NP applied to construct approximately 102 kilometres (63 miles) of pipeline and associated facilities from its mainline near Big Kedron Lake, New Brunswick to the City of Saint John. M&NP also proposes to construct approximately 8 kilometres (5 miles) of pipeline and associated facilities from a point on the lateral to the Lake Utopia area. The current volume of natural gas requested for transportation on the lateral is approximately 3.7 million cubic metres (130.6 million cubic feet) per day. The estimated cost of the project is \$91 million and the proposed in-service date is 1 November 1999.

On 21 August 1998, the Board initiated the scoping of the environmental assessment that is required under the *Canadian Environmental Assessment Act* (CEAA) for the Saint John Lateral. The scoping exercises are intended to provide a framework for M&NP environmental assessment and involves a determination of the scope of the project, the factors to be assessed, and the scope of those factors. On 2 October 1998, the Board released its decision on the scoping.

On 2 October 1998, the Board delegated the preparation of the Comprehensive Study Report for the Saint John Lateral to M&NP pursuant to Section 17 of the CEAA.

2. St. Clair Pipelines (1996) Ltd. (St. Clair) - TransCanada PipeLines Limited (TCPL) - Pipeline Projects in Ontario

On 9 and 16 December 1998, TCPL and St. Clair, respectively, applied to construct pipelines to transport natural gas to markets in the northeast and mid-Atlantic United States.

St. Clair applied to construct a 74-kilometre (46-mile) pipeline and related facilities extending from a point near Sarnia, Ontario to the shore of Lake Erie near Patrick Point, Ontario, 25 kilometres (15.5 miles) southwest of Port Stanley (the Millennium West Pipeline). There it will inter-

connect with the Lake Erie Crossing requested by TransCanada.

The proposed TransCanada Lake Erie Crossing is a 97.4-kilometre (60.5-mile) pipeline, extending from the lakeshore to the Canada/United States border located near the middle of Lake Erie where it will interconnect, beneath the waters of Lake Erie, with the proposed Millennium Pipeline, creating a new Lake Erie export point. From shore-to-shore the lake crossing is about 145 kilometres (90 miles) long.

The initial capacity of the proposed pipelines is 19.8 billion cubic metres (700 million cubic feet) per day. The proposed Millennium West Pipeline is estimated to cost \$166 million while the total project cost of the proposed Lake Erie Crossing is estimated at \$162 million. The two companies plan an in-service date of 1 November 2000.

Regarding the environmental assessment required by the *Canadian Environmental Assessment Act* for the proposed Millennium West Pipeline and the Lake Erie Crossing, which is collectively called the Canadian Millennium Project, the Board has referred the Project to the Minister of the Environment for a referral to a review panel.

3. ProGas Limited (ProGas) - Natural Gas Export Licence

On 18 February 1999, ProGas filed an application to export natural gas to its affiliate, ProGas U.S.A., Inc., to serve markets in the U.S. Midwest for a 15-year period commencing on 1 October, 2000.

The natural gas would be supplied from ProGas' contracted corporate supply in Alberta, British Columbia and Saskatchewan and exported to ProGas U.S.A. via the Alliance Pipeline system. The volumes proposed to be exported are: Daily - 1.8 million cubic metres (65.0 million cubic feet); Annually - 672.5 million cubic metres (23.7 billion cubic feet); and Term - 10.1 billion cubic metres (356.1 billion cubic feet).

4. ProGas Limited (ProGas) - Natural Gas Export Licences

The Board has received two applications from ProGas for long-term licences to export natural gas. The first application was filed jointly by ProGas and the City of Duluth, Minnesota to export natural gas to supply the City of Duluth for a 10-year period commencing on 1 November 1999. The second application is to amend two existing natural gas export licences underpinning exports to the City of Perham, Minnesota and to ProGas' market in the U.S. Northeast.

Regarding the proposed export (through Emerson, Manitoba) to the City of Duluth, the volumes to be exported are: Daily - 171 400 cubic metres (6.1 million cubic feet); Annually - 62.6 million cubic metres (2.2 billion cubic feet);

and Term - 626.0 million cubic metres (22.1 billion cubic feet).

With respect to the proposed export (through Emerson, Manitoba) to the City of Perham, ProGas has requested amendments to an existing export licence by increasing the volumes currently authorized for the period 1 November 1999 to 31 October 2012 as follows:

	Currently Authorized	Requested Increases
Daily:	67 000 m ³ (2.4 million ft ³)	74 190 m ³ (2.6 million ft ³)
Annually:	24.4 million m ³ (861.3 million ft ³)	27.0 million m ³ (953.1 million ft ³)
Term:	378.3 million m ³ (13.4 billion ft ³)	412.4 million m ³ (14.6 billion ft ³)

ProGas also requested approval to amend the pricing provisions in the Gas Sales Agreement with the City of Perham.

Regarding the proposed export (through Iroquois, Ontario) to supply ProGas' markets in the U.S. Northeast, ProGas requested amendments to an existing licence by increasing the volumes currently authorized for the period 1 November 1999 to 31 October 2006 as follows:

	Currently Authorized	Requested Increases
Daily:	458 000 m ³ (16.2 million ft ³)	825 200 m ³ (29.1 million ft ³)
Annually:	167.2 million m ³ (5.9 billion ft ³)	301.3 million m ³ (10.6 billion ft ³)
Term:	1 672.0 million m ³ (59.0 billion ft ³)	2 610.9 million m ³ (92.2 billion ft ³)

All of the natural gas would be supplied from producers in Alberta, British Columbia and Saskatchewan contracted to ProGas.

5. TriState Canada Limited Partnership (TriState) - Pipeline Construction

On 23 December 1998, St. Clair Pipelines (1966) Ltd., on behalf of TriState, applied for approval to construct and operate a natural gas pipeline from a point along the international boundary in the St. Clair River near Sarnia, Ontario to a point of connection with existing Union Gas Limited (Union Gas) facilities at Bickford, Ontario.

TriState applied to construct approximately 8.3 kilometres (5 miles) of pipeline and related facilities. TriState has entered into a transportation service agreement with Union Gas to provide service from Bickford to Dawn, Ontario. The estimated cost of the project is \$14 million and the proposed in service date is November 2000.

Other Applications

The Board had, or has, before it a number of applications and other matters that do not require public hearings. Since the 1 January 1999 issue of the *Regulatory Agenda*, the matters below have been or are being considered by the Board.

ELECTRICITY MATTERS

Matters Completed

1. *Cominco Ltd. - Electricity Export Permits*

On 22 January 1999, the Board approved an application dated 1 October 1998 from Cominco for four electricity permits to export, for the period 1 January 1999 to 31 December 2003, as follows:

- (a) carrier transfer for wheeling through the United States up to a maximum of 50 gigawatt hours in any consecutive 12-month period;
- (b) interruptible and firm transfers for sale, equichange, storage and adjustment up to a maximum of 1 000 gigawatt hours in any consecutive 12-month period;
- (c) miscellaneous firm equichange up to a maximum of 250 gigawatt hours in any consecutive 12-month period; and
- (d) unscheduled circulating flow with simultaneous return to Canada, up to a maximum of 1 000 gigawatt hours in any consecutive 12-month period.

2. *Duke Energy Marketing Canada Ltd. (Duke Energy) - Electricity Export Permits*

On 26 January 1999, the Board approved an application date 5 November 1998 from Duke Energy for electricity permits to export up to 1 000 megawatts of power and up to 2 000 gigawatt hours of energy annually on either firm or interruptible basis to the United States for a period of ten years.

3. *HQ Energy Marketing Inc. (HQ Energy) - Electricity Export Permits*

On 25 March 1999, the Board approved an application dated 23 June 1998 from HQ Energy for electricity permits to export up to 6 000 megawatts of firm and interruptible power per year, and a maximum of 30 terawatt hours of firm energy and a maximum of 30 terawatt hours of interruptible energy per year, for a period of 10 years commencing on 1 November 1998.

4. *Ontario Hydro - Assignment of Certificates and Permits*

On 4 March 1999, the Board approved an application dated 29 December 1998 from Ontario Hydro to change the assignment of its certificates and permits from Ontario Hydro to Independent Electricity Market Operator, Ontario Power Generation Inc., and Ontario Hydro Services Company Inc. This is the result of the Ontario Government's enactment of the *Energy Competition Act*, 1998 which restructured Ontario Hydro.

Matters Under Consideration

5. *Canadian Niagara Power Company, Limited (CNPCL) - Power Line*

On 8 September 1998, CNPCL applied for authorization to rehabilitate and operate an international power line. One circuit of the line would be a 115 000 volt circuit operating at 60 hertz; the other would have nominal voltage of 40 600 operating at 25 hertz. The line would extend a distance of approximately four kilometres from CNPCL's Station 18 located at Fort Erie, Ontario to a point on the international boundary on the Niagara River.

NATURAL GAS MATTERS

Matters Completed

1. *Gas Export Licence Applications - Notification List*

In January 1999, the Board published a notice in newspapers across Canada to advise the public that if they are interested in being placed on a notification list for natural gas export applications, to advise the Board.

Since February 1998, the Board considers all complete applications for gas export licences on a case by-case basis as they are filed. The Board does not require applicants to publish notice of their applications. Instead, parties who have requested to be included on the Board's Part VI Notification List are advised of all gas export licence applications when they are received by the Board. New parties wishing to be added to the Part VI Notification List should register with the Secretary of the Board. Additionally, parties seeking confirmation of their inclusion on this list may contact Denis Tremblay, Communications Officer, via e-mail at www.dtremblay@neb.gc.ca or by fax: (403) 299 5503.

Additionally, notice of all applications for gas export licences are posted on the Board's Internet web site (<http://www.neb.gc.ca>) and are available in the Board's Library.

2. *Fulton Cogeneration Associates (Fulton) - Revocation of Natural Gas Export Licence GL-154*

On 22 January 1998, the Board approved an application from Fulton to revoke natural gas export Licence GL-154. Under the Licence, Fulton was authorized to export natural gas to a cogeneration facility to be built in Fulton, Oswego County, New York.

Matter Under Consideration

3. *Engage Energy Canada, L.P. (Engage) - Transfer of Several Gas Export Licences*

On 7 May 1997, Engage applied for approval to transfer Licences GL-187, GL-221, GL-222, GL 223, GL-224, GL-225, GL-226 and GL-227 from Westcoast Gas Services Inc. to Engage Energy Canada, L.P.

On 4 March 1998, Engage requested to extend the time necessary to complete certain third party Consents to Assignment supporting the application. On 11 March 1998, the Board confirmed that it will hold Engage's application in abeyance.

PIPELINE MATTERS

Matters Completed

1. *Safety Audit Report*

The Board has adopted the Safety Management Audit to Verify Compliance with Respect to the Onshore Pipeline Regulations and Pipeline Crossing Regulations for the following companies:

Trans Quebec & Maritimes Pipeline Inc.	1 February 1999
SCL Quebec Pipeline Inc.	4 February 1999

2. *Penn West Petroleum Ltd. (Penn West) - Pipeline Construction*

On 14 January 1999, the Board approved an application dated 9 July 1998 from Penn West

for approval to construct a 33-kilometre (20.5-mile) natural gas pipeline between the Penn West Wildboy sales pipeline at b-33-A/94-P-10 in British Columbia to a Nova Gas Transmission Ltd. metering facility to be located at Section 7-34-120-12 W6M in Alberta. The estimated cost of the pipeline is \$7.8 million.

3. *Section 58 Applications*

The Board has approved or is considering several applications under section 58 of the NEB Act involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. These matters may be considered by the Board without a public hearing. See Appendix III

for a description of the applications approved or under consideration.

Matters Under Consideration

4. *Amber Energy Inc. (Amber) - Pipeline Construction - Ekwan Pipeline Project*

On 24 August 1998, Amber applied for approval to construct a 36-kilometre (22-mile) natural gas pipeline from Amber's Ekwan Gas Plant to be located at c-10-E/95-I-9 in British Columbia to a meter station on the Nova Gas Transmission Ltd. system at Section 27-110-12-W6M in Alberta. The estimated cost of the pipeline is \$8.94 million.

On 23 October 1998, the Board sent a letter to Amber requesting additional information. On 29 October 1998, the Board invited Amber to either revise its application to include certain upstream facilities or to comment on the completeness of the application.

Effective 1 December 1998, all of the issued and outstanding shares of Amber were purchased by Alberta Energy Ltd. The pipeline facilities forming part of the Ekwan Pipeline Project will be held by AEC Suffield Gas Pipeline Inc. (AEC Suffield), a wholly owned subsidiary of Alberta Energy Ltd.

On 2 and 24 February 1999, AEC Suffield responded to the Board's requests for information of 23 and 29 October 1998. In its response of 28 October, the Company indicated that it chose not to amend its application to include upstream facilities contending that the application before the Board, as supplemented by the responses to the Board's information request, was complete.

5. *Western & Pacific Pipelines Ltd. (W&P), as Agent for Pipestone Pipelines Ltd. (Pipestone) - Pipeline Construction*

On 17 March 1999, W&P applied for approval to construct a 100-metre crude oil pipeline linking the Wapella Pipelines Ltd. pipeline in Saskatchewan to the Wapella Pipelines Manitoba Inc. pipeline in Manitoba.

On 31 March 1999, the Board decided that a determination of the appropriate jurisdiction of the facilities must be made. The Board noted that the Pipestone pipeline will connect to the Wapella Pipelines Ltd. and Wapella Pipelines Manitoba Inc. facilities which have been built under provincial authorization. Therefore, the Board has issued a Notice of Constitutional Question asking for comment on the following question:

Is the proposed Pipestone pipeline part of a larger extraprovincial work or undertaking, including facilities constructed by Wapella Pipelines Ltd. in Saskatchewan and Wapella Pipelines Manitoba Inc. in Manitoba, which is subject to the jurisdiction of

Parliament pursuant to paragraph 92(10)(a) of the Constitution Act 1867?

W&P was invited to address this question by filing written comments with the Board.

TRAFFIC, TOLLS AND TARIFF MATTERS

Matters Completed

1. *Financial Regulatory Audit Policy*

On 23 February 1999, the Board issued a revised *Financial Regulatory Audit Policy*. The revised policy supercedes the policy issued on 1 December 1994.

A copy of the Policy is available on the Board's Internet web site (<http://www.neb.gc.ca>) under What's New! and in the Board's Library.

2. *Enbridge Pipelines Inc. (Enbridge) - Line 9 Reversal - Tariff Filing*

On 31 March 1999, the Board approved Enbridge's filed tariff NEB No. 214 "Rules and Regulations Governing the Transportation of Crude Petroleum in Line 9B from Montreal, Quebec to Bronte Junction, Ontario and Westover, Ontario" effective 1 April 1999 and tariff NEB No. 215 "Tolls Applying on Crude Petroleum in Line 9B" effective 1 May 1999. The Board had sought the views of interested parties on this matter.

3. *TransCanada PipeLines Limited (TCPL) - First Report of the 1999 Tolls Task Force*

TCPL applied for approval of several resolutions as contained in the above-noted report. The Board approved the following:

Resolution No.	Date Approved	Subject
01.99	28 Jan. 1999	Receipt and delivery point update
02.99	28 Jan. 1999	NEB refund disposition
03.99	28 Jan. 1999	Kamine capacity
04.99	28 Jan. 1999	Performance of the Compulsory Compliance Audit
05.99	15 Feb. 1999	1999 tolls filing delay
07.99	19 Mar. 1999	Interruptible Backhaul Transportation - Blanket Contract

4. *Trans Québec & Maritimes Pipeline Inc. (TQM) - 1998 Tolls*

On 22 January 1999, the Board approved the final tolls that TQM may charge on its natural gas transmission system for 1998. TQM had been on interim tolls since 1 January 1998.

TQM's application was based on a deemed common equity ratio of 30 per cent and a rate of return on common equity of 10.21 per cent for 1998 in accordance with the Board's Multi-Pipeline Cost of Capital decision (RH-2-94). The Board approved a net revenue requirement of \$63.5 million and a rate base of \$294.1 million for 1998.

TQM also requested that the Board issue an order fixing tolls the Company may charge on an interim basis effective 1 January 1999. The Board decided to set the final tolls approved for 1998 as interim tolls effective 1 January 1999.

5. *Trans Mountain Pipe Line Company Ltd. (TMPL) - 1999 Final Tolls*

On 9 March 1999, the Board approved an application dated 12 February 1999 from TMPL for final tolls for 1999. The Board approved the tolls set out in the "Proposed Petroleum Tariff No. 45" and "Proposed Refined and Partially Refined Petroleum and MTBE Tariff No. RP 14".

6. *Trans-Northern Pipelines Inc. (TNPL) - 1999 Tolls*

On 29 March 1999, the Board approved TNPL's final tolls for 1999. Although there are some increases, the proposed tolls on a weighted average basis are 0.6 per cent less than the existing tolls

Matters Under Consideration

7. *Foothills Pipe Lines Ltd. (Foothills) - Interruptible Tolls - Zone 9*

On 1 March 1998, Foothills applied for approval of new interruptible tolls for Zone 9, the Saskatchewan portion of the Foothills system.

On 26 March 1999, the Board approved interruptible tolls for Zone 9, as applied for, on an interim basis effective 1 April 1999. The Board will make a final decision with respect to the applied-for tolls upon completion of its examination of the application.

8. *Foothills Pipe Lines (Alta.) Ltd., Foothills Pipe Lines (South B.C.) and Foothills Pipe Lines (Sask.) Ltd. - 1998 Operating and Maintenance Expense Budgets*

On 27 November 1998, Foothills Pipe Lines Ltd. ("Foothills") applied, on behalf of the above noted subsidiaries, for approval of Operating and Maintenance Expense Budgets for the 12-month period ending on 31 December 1999.

On 17 December 1998, the Board advised Foothills that, before making a final decision on the applied-for budgets, it wished to consider Foothills' actual 1998 costs and the analysis of the 1999 operating and maintenance expense variances due to be filed with the Board on 28 February 1999. Therefore, the Board decided to issue an interim order approving interim budgets for the year ending 31 December 1999 equal to 50 per cent of the budgets submitted.

9. Westcoast Energy Inc (WEI) - 1999 Final Tolls

On 5 March 1999, WEI applied for approval for final 1999 tolls for transmission.

On 24 March 1999, the Board decided to seek comments from interested parties on the merits of the application before determining final 1999 tolls.

10. PanCanadian Petroleum Limited - Request for Condensate Transportation

For further information on this matter, refer to item 4 under *Traffic, Tolls and Tariff Matters, Matters Under Consideration* of issue No. 62 of the *Regulatory Agenda* dated 1 October 1997.

FRONTIER MATTERS

1. Frontier activities for the first quarter of 1999

(a) Approval was given to Imperial Oil Resources Ltd. for the following activities at Norman Wells:

- (i) "Approval for a Well Operation" pursuant to subsection 19(3) of the *Canada Oil and Gas Production and Conservation Regulations* (COGPCR) on 5 January.
- (ii) to install a sub-surface safety valve in the well Esso Norman Wells S-08X pursuant to subsection 19(3) of the COGPCR on 4 March.

(b) Approval was given to Paramount Resources Ltd. for the following:

- (i) "Application to Alter Condition of a Well" pursuant to section 83 of the *Canada Oil and Gas Drilling Regulations* (COGDR).

Paramount et al Bovie C-76A on 19 January; and

Paramount et al Liard F-36 on 16 February.

- (ii) "Authority to Drill a Well" pursuant to section 83 of the COGDR to drill the following wells on 18 January.

Paramount Berkley Netla P-57;

Paramount Berkley Arrowhead C-02;

Paramount et al Liard A-01; and

Paramount et al Liard K-46.

(iii) a waiver pursuant to subsection 70(1)(c) of the COGDR for the well Paramount Berkley Netla P-57 on 16 February.

(c) Approval was given to Grey Wolf Exploration Inc. for the following:

- (i) approval pursuant to subsection 83(2) of the *Canada Oil and Gas Drilling Regulations* for the well Grey Wolf-Canaxas DEH CHO-2 B-14 on 4-1-99.

(d) An application for approval of a "Commercial Discovery Declaration" was submitted by Inuvialuit Petroleum Corporation pursuant to Part II.I, section 28.2 of the *National Energy Board Act* and Part IV, section 35 of the *Canada Petroleum Resources Act* on 9 March 1999.

(e) Approval was given to the Inuvialuit Petroleum Corporation for the following:

- (i) "Applications to Alter Condition of a Well" pursuant to paragraph 5(1)(b) of the *Canada Oil and Gas Operations Act* (COGOA) for the subject wells on 2 February.

IPC Ikhil K-35; and

IPC Ikhil J-35.

(ii) to construct the Ikhil production facilities pursuant to paragraph 5(1)(b) of the COGOA on 2 February.

(iii) to construct the Ikhil - Inuvik gas pipeline pursuant to paragraph 5(1)(b) of the COGOA on 2 February.

(iv) "Well Termination Record" pursuant to section 184 of the COGDR for the following wells on 9 March.

IPC Ikhil J-35; and

IPC Ikhil N-26.

(v) a waiver pursuant to subsection 218(2) of the COGDR for the following wells on 10 March.

IPC Ikhil K-35; and

IPC Ikhil J-35.

(f) An application for approval of a "Declaration of Significant Discovery" was submitted by Ranger Oil Limited pursuant to Part II.I, section 28.2 of the *National Energy Board Act* and Part III, section 28 of the *Canada Petroleum Resources Act* on 17-12-98.

(g) Approval was given to Ranger Oil Limited for the following:

- (i) "Application to Alter Condition of a Well" pursuant to paragraph 5(1)(b) of the COGOA for the well Ranger Fort Liard P-66A on 12 February.

- (ii) "Well Termination Record" pursuant to section 184 of the COGDR for the well Ranger Fort Liard P-66A on 12 February.
- (h) Approval was given to Suncor Energy Inc. for the following:
 - (i) Authority to Drill a Well, pursuant to subsection 83(1) of the COGDR for the well Suncor Netla K-77 on 26 January.
 - (ii) approval pursuant to section 83(2) of the COGDR for the well Suncor Netla K-77 on 26 February.
- (i) Approval was given to Canadian Forest Oil Ltd. for the following:
 - (i) "Authority to Drill a Well" pursuant to section 83 of the COGDR for the well CDN Forest et al Fort Liard K-32 on 12 February.
 - (ii) "Authority to Drill a Well" pursuant to section 83 of the COGDR for the well CDN Forest et al Flett N-61 on 18 February.
- (j) Approval was given to Chevron Canada Resources for the following:
 - (i) "Authority to Drill a Well" pursuant to section 83 of the COGDR for the well Chevron et al Liard K-29 on 5 January.

- (ii) approval pursuant to section 64 of the COGDR for the well Chevron et al Liard K-29 on 10 March.

- (k) Two new applications for geological, geophysical or geotechnical operation authorization were received and four applications for amendments to previously authorized operations were received. Five applications were approved pursuant to section 5 of the COGOA as follows, and one was withdrawn:

Company/Area	Date
AEC West	Carcajou Reef 04 January
AEC West	Keele Arch 05 January
AEC OIL AND GAS	Ft. Liard 08 March
BFR Geophysical	Ft. Liard 22 January
BFR Geophysical	Ft. Liard 02 February

The remaining applications are being reviewed.

Appeals and Review

Appeals Completed

1. Canadian Hunter Exploration Ltd. (CHEL) - Tidal Resources Inc.

On 22 August 1996, CHEL filed with the Federal Court of Appeal an application for leave to appeal the Board's decision of 25 July 1996 in which it decided, as a result of the approval of Tidal Resources Inc.'s application to construct a pipeline, that it had jurisdiction over certain upstream gathering facilities located within the province of British Columbia which are owned and operated by CHEL.

The Court granted the leave to appeal application and an appeal was filed. Memorandum of Points of Argument were served by CHEL and the provinces of Alberta and British Columbia. The appeal was heard by the Court on 15 March 1999. The appeal was allowed and the order of the Board was set aside.

2. Union Gas Limited (Union) - Trans Quebec & Maritimes Pipeline Inc. (TQM) - PNGTS Extension - GH-1-97

On 4 May 1998, Union applied to the Federal Court of Appeal for a judicial review of the Board's Reasons for Decision issued on 3 April 1998 regarding an application by TQM to construct a pipeline from Lachenaie, Quebec to the New Hampshire border near Pittsburg, U.S.A.

Union applied for a writ of mandamus requiring the Board to issue reasons for the GH-1-97 Decision addressing the issues and evidence that were before the Board during the GH-1-97 Hearing. In January 1999, Union discontinued this judicial review application.

Appeals Pending

3. Alberta Department of Energy (ADOE) - Northstar Energy Corporation (NEC) - GH-1-98

On 25 May 1998, the ADOE applied to the Federal Court of Appeal for leave to appeal a ruling of the Board dated 24 April 1998 in which it dismissed a motion by the ADOE challenging the Board's jurisdiction to hear an application by

NEC to construct a pipeline on the grounds that the NEC application involved a local work and undertaking, rather than an extraprovincial work and undertaking.

The ADOE also applied to the Board for a Stay of Execution of the Board's Decision GH-1-98. On 4 June 1998, the Board denied the application for a Stay of Execution. Subsequent to the Board's dismissal of the stay application, ADOE, on 24 June 1998, filed with the Federal Court of Appeal an application for leave to appeal the Board's decision dated 24 April 1998.

The Federal Court granted the leave to appeal and stayed the Board's GH-1-98 Decision. An appeal has been filed and is pending before the Court.

4. *The Industrial Cape Breton Community Alliance Group (the Alliance) on the Sable Gas Project*

On 25 November 1997, the Alliance filed an Originating Notice of Motion with the Federal Court of Canada, Trial Division for the purpose of having the Joint Public Review Panel Report dated 27 October 1997, and the Report of the Commissioner for the Canada-Nova Scotia Offshore Petroleum Board dated 27 October 1997, reviewed, set aside and referred back to the Joint Panel and the Commissioner and that they direct Sable Offshore Energy Project to file a socio-economic impact study incorporating an economic cost-benefit analysis and the environmental effects of the project on Cape Breton. On the same date, the Alliance filed a similar Originating Notice of Motion with the Federal Court of Appeal. Proceedings have been consolidated in the Federal Court, Trial Division. This judicial review application will be heard in May.

5. *Union of Nova Scotia Indians et al - Maritimes & Northeast Pipeline Management Ltd. (M&NP)*

The Union of Nova Scotia Indians et al applied to the Federal Court of Appeal for a judicial review or for leave to appeal a decision by the Board that M&NP had complied with condition 22 of Certificate GC-95. This application was commenced on 12 November 1998. A number of interlocutory applications were filed.

The Court heard the motions and directed that the case proceed as a judicial review application. The applicants record and the respondents records have been filed. No date has been set for a hearing of this matter.

Reviews Completed

1. *Alliance Pipeline Project - Detailed Route Hearing - MH-1-99 and MH-2-98 - Mr. Vernon Smith*

On 12 March 1999, the Board decided on its own motion to review its decision regarding Order GPL A-159-2-99 dated

11 February 1999 approving some plans, profiles and books of reference for the Alliance Pipeline Project. The Board decided to review its decision because it inadvertently did not consider a proposed alternate route submitted by Mr. Vernon Smith in his objection received by the Board on 9 January 1999. This in the view of the Board raised a doubt as to the correctness of its decision in approving some plans, profiles and books of reference.

The Board provided Alliance Pipeline Ltd., Mr. Vernon Smith and intervenors in Mr. Smith's upcoming detailed route hearing with the opportunity to file submissions in respect of the merits of the review.

On 31 March 1999, the Board upheld its decision to approve the plans, profiles and books of reference in question.

2. *Maritimes & Northeast Pipeline Management Ltd. (M&NP) - Detailed Route Hearing MH-3-98 - Ms. Shelagh Lynch*

On 4 February 1999, Ms. Shelagh Lynch applied for a review and stay of the Board's decision regarding the detailed route hearing the Board held in the matter of M&NP's pipeline in the Maritimes. During the MH-3-98 detailed route hearing, Ms. Lynch expressed concerns over the proximity of M&NP's proposed route to a wetland associated with a beaver pond on her property. Ms. Lynch proposed an alternate route which took the pipeline route outside the one kilometre wide corridor which was approved at the certificate hearing.

During the detailed route hearing, the Board heard Ms. Lynch's objection and listened to her evidence on the alternate route but approved the proposed detailed route of M&NP as being the best possible route. However, in its decision the Board required M&NP to prepare and file a site report of the beaver pond and surrounding area of the Lynch and Hughes/Morrigan properties to determine whether a wetland as described in the Environmental Impact Assessment was present. If a wetland were found to exist, M&NP was also required to provide a site specific monitoring and mitigation plan for the wetland. Both those reports were filed by M&NP.

On 31 March 1999, the Board decided, after review of all submissions, that no prima facie case had been made to cast a doubt as to the correctness of the Board's findings in MH-3-98 decision. Therefore, the Board denied the application for review and stay of the MH-3-98 decision.

Amendments to Guidelines and Regulations

Amendments to the Board's guidelines and regulations completed or in various stages of preparation, include the following:

1. National Energy Board Act Part VI (Oil and Gas) Regulations

The Board is proceeding with recommending that the Governor-In-Council approve amendments to the Regulations because some provisions in the existing Regulations are inconsistent with the new market-based approach to regulating the long-term exportation of crude oil.

2. Onshore Pipeline Regulations (OPR)

The Board is proposing to replace its current Onshore Pipeline Regulations with a revised version. The Board sought comments of interested persons on new *Onshore Pipeline Regulations, 1999 - Guidelines* (OPR Guidelines). These proposed changes are being made based on findings of past inquiries, including the inquiry concerning stress corrosion cracking on Canadian oil and gas pipelines conducted in 1995-96, together with safety and environmental issues arising from incident investigations, and revised technical standards.

Under the *National Energy Board Act*, the Board may make regulations: governing the design, construction, operation and abandonment of a pipeline; providing for the protection of property and the environment; and ensuring the safety of the public and of the company's employees in the construction, operation and abandonment of a pipeline.

The Board has undertaken to make the OPR more goal-oriented by identifying the required results of proper pipeline design, construction, operation and abandonment of pipelines. It is the pipeline company's responsibility to develop and prove appropriate specifications and procedures to ensure these required results are met. In order to achieve these results, the use of widely accepted standard procedures, such as those published by the Canadian Standards Association, is encouraged.

The Board has developed the OPR Guidelines to assist industry in complying with the requirements of the OPR.

The Board is of the opinion that this new approach will promote increased industry responsibility and allow additional flexibility, efficiency and opportunity to implement improved safety and environmental techniques in a more timely manner.

3. Offshore Pipeline Regulations

The *Offshore Pipeline Regulations* will specify the requirements for the protection of property and the environment and the safety of the public and the company's employees in the design, construction, operation and abandonment of an offshore pipeline.

The Regulations are at the drafting stage.

4. Hydrocarbon Processing Plant Regulations

Draft Hydrocarbon Processing Plant Regulations are estimated to be completed later in 1999.

5. Regulations and Guidelines Pertaining to Canada Oil and Gas Operations Act

The process of creating and amending regulations pertaining to oil and gas activities, under the provisions of the Canada Oil and Gas Operations Act, proclaimed in force in September 1992, is continuing. At present, the regulatory agenda is as follows:

Regulations and Guidelines being drafted:

Canada Oil and Gas Occupational Safety and Health Regulations - Amendments

Canada Oil and Gas Drilling Regulations - Re-structuring

Canada Oil and Gas Production and Conservation Regulations - Amendment

Canada Oil and Gas Diving Regulations - Amendment

Newfoundland Offshore Area Petroleum Occupational Safety and Health Regulations

Nova Scotia Offshore Area Petroleum Occupational Safety and Health Regulations

Other Matters

Canadian Energy Supply and Demand - 1998-2025

The Board is preparing a report entitled "Canadian Energy Supply and Demand 1998-2025". This report, scheduled to be published in June 1999, will provide an analysis of energy trends, issues and developments impacting Canada over the next quarter century. As part of this process, the Board has conducted public consultations to obtain the views of interested parties. The focus of the consultations was to firstly, obtain comments concerning the assumptions, emerging energy issues and scope of the report; and, secondly, seek comments on the resulting analysis.

The first round of public consultations took place in April and May 1998 in Calgary, Ottawa, Toronto, Montreal, Halifax, St. John's, Vancouver and Regina.

On 6 January 1999, the Board issued the consultation package for Round 2, which included the preliminary results of the Board. The Round 2 consultations were held in February in the same cities as Round 1. During Round 2, the Board was seeking comments on the preliminary results before proceeding to final analysis and develop areas which may be of particular interest for sensitivity analysis.

Administrative Matters

Board Members

On 26 January 1999, the Minister of Natural Resources Canada announced the appointment of **Mr. Jean-Paul Théorêt** as a member of the Board. Since 1990 Mr. Théorêt has been a Commissioner of the Régie de l'énergie, previously the Régie du gaz naturel du Québec. From 1985 to 1989, Mr. Théorêt was a Member of the National Assembly, parliamentary assistant to the Minister of Industry, Trade and Technology and Vice-Chairman of the Committee on Labour and the Economy in the National Assembly. Previous to this, he worked for 30 years as a senior manager with a number of large food retailers. Active within his community, Mr. Théorêt has served on the boards of several business associations.

Mr. Cecil Mervin Ozirny was reappointed Temporary Board Member until 27 June 1999. Mr. Ozirny has been a Temporary Board Member since 31 October 1997.

Mrs. Anita Côté-Verhaff retired as a Board Member on 31 March 1999. Mrs. Côté-Verhaff had been a Board Member since 1 September 1989.

Dr. Diana Valiela has resigned as a Board Member. Dr. Valiela has been a Board Member since October 1997. She will be staying at the Board until the end of May or early June.

Documents Issued - 1 January to 31 March 1999

Reasons for Decision

Maritimes and Northeast Pipeline Management Ltd. - Point Tupper Lateral - GH-4-98 - January 1999

Maritimes & Northeast Pipeline Management Ltd. - Detailed Route Hearings - Pipeline Projects in the Maritimes - MH-3-98 - Letters of Decision - 26 January 1999

BC Gas Utility - Service on Westcoast Energy Inc. - Toll Methodology - RH-2-98 - March 1999

Vector Pipeline Limited Partnership - Pipeline Construction - GH-5-98 - March 1999

Report

National Energy Board - 1999 - 2000 Estimates - Part III - Report on Plans and Priorities - February 1999

Other

Financial Regulatory Audit Policy - 23 February 1999

Instructions for Filing

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 444 Seventh Avenue S.W., Calgary, AB T2P 0X8; Telephone (403) 292-4800; Fax (403) 292-5503.

Appendix I lists the number of copies required for the different types of applications.

Telephone Numbers

Appendix II lists the telephone number of Board Members and key staff.

Web Site

Internet users are invited to visit the Board's Internet home page at <http://www.neb.gc.ca>.

Board Document System (BDS)

The Board's BDS system is available to the public, offering direct access to an electronic library of regulatory documents. Document contents may be searched on-line with full-text search capabilities. Presently, the system contains Reasons for Decision dating from 1985 and hearing transcripts from 1991. Other document types will be added gradually, as they become available in standardized electronic format. The BDS may be used from remote locations or at the Board's Calgary office. The only cost to users will be long-distance telephone charges, if any, to connect to the system.

All users are asked to register with the Board and sign a public access agreement. This agreement explains the responsibilities of the user and outlines relevant terms and conditions. Request for a user account may be made by mail, facsimile or telephone at (403) 292-4800. For more information, a brochure on the Board Document System is also available.

National Energy Board

Michel L. Mantha

Secretary

For information:

Denis Tremblay
Communications Officer
Tel: (403) 299-2717
Email: dtremblay@neb.gc.ca

For copies of documents:

Publications Office
Tel: (403) 299-3562
Fax: (403) 292-5503
Email: <http://www.orders@neb.gc.ca>

Appendix I

Number of Copies Required for Filings

Applicants are requested to provide the following number of copies of their applications or other filings to the National Energy Board. For matters not listed below, one copy is sufficient.

Type of Application or Filing	No. of Copies	Type of Application or Filing	No. of Copies
(a) Hearing Matters		(iii) Oil Exports	
(i) Certificates		Registered Oil Export Orders	05
Pipeline	25	(iv) Tolls	
Power Line	20	Class I and II Adjustments	20
(ii) Export Licences		Interim Orders	20
Natural Gas	25	Operating and Maintenance Budgets	20
Electricity	20	Changes in Depreciation Rates	20
(iii) Tolls	25	Quarterly Surveillance Reports	20
(iv) Land Acquisitions	20	New or Changed Tariffs	20
(b) Non-Hearing Matters		Domestic Gas Sales Contracts and Amendments	20
(i) Natural Gas		Amendments to Tariff Orders	20
Export Orders	20	(v) Pipelines and Power Lines	
Orders for Transmission Access	20	Permits	15
Licence Amendments	20	Exemption Orders Pipelines (Sec. 58)	20
Amendments to Export Contracts	20	Certificate Amendments	20
Licence Revocations	20	Leave to Sell or Transfer	20
(ii) Electricity Exports		Incident Reports	20
Permits	15	(vi) Other	
Licence or Permit Amendments	15	Application for Review	20
Licence or Permit Revocations	15		

The number of copies of interventions or submissions to be provided in response to applications will be specified in the applicable hearing order. Parties who would find the provision of multiple copies an undue financial burden may file one copy, with a request to be excused from multiple filing.

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 444 Seventh Avenue S.W., Calgary, AB T2P 0X8 Telephone (403) 292-4800; Fax (403) 292-5503.

Appendix II

Selected List of Telephone Numbers (Area Code 403)

General Information	292-4800
Incident Reporting Number	1-800-632-1663
	1-800-NEB-1-ONE
Publication Office	Tel: 299-3562
	Fax: 292-5503
	Email: http://www.orders@neb.gc.ca
Web Site	http://www.neb.gc.ca

Board Members

Chairman	Kenneth Vollman	299-2730
Assistant	Carmen Morin	299-2725
Vice Chairman	Vacant	299-2730
Member	Judith Snider	299-2737
Assistant	Louise Niro	299-2734
Member ^(a)	Diana Valiela	299-2729
Assistant	Geraldine Green	299-2728
Member	Rowland J. Harrison	299-2736
Assistant	Margaret Merta	299-2734
Member	John S. Bulger	299-2705
Assistant	Geraldine Green	299-2728
Member ^(b)	Jean-Paul Théorêt	299-2724
Assistant	Louise Niro	299-2734
Temporary Member ^(c)	Gaétan Caron	299-2700
Admin. Assistant	Jan Dane	299-2701
Temporary Member ^(d)	C. Mervin Ozirny	299-2740
Assistant	Geraldine Green	299-2728

- (a) Dr. Valiela resigned in April. She will be leaving the Board in late May or early June.
- (b) Mr. Jean-Paul Théorêt was appointed Board Member on 26 January 1999.
- (c) Temporary Member appointed on 4 September 1997 to 4 September 1999.
- (d) Mr. Ozirny's appointment was extended to 27 June 1999.

Executive Office

Executive Director	Gaétan Caron	299-2700
Admin. Assistant	Jan Dane	299-2701

Professional Leaders

Professional Leader, Environmental	Bonnie Gray	299-3675
Energy Resources	Vacant	
Engineer	Frank Gareau	299-3178
Economics	Glenn Booth	299-3621

Office of the Secretary

Secretary and Team Leader Regulatory Operations	Michel Mantha	299-2714
Regulatory correspondence Administrator	Chantale Painchaud	299-2731

Legal Services

General Counsel and Director	Judith Hanebury	292-6497
Counsel	Peter Noonan	299-3552
Paralegal/Admin.	Susan Gudgeon	299-2704
Counsel	Margery Fowke	299-2708
Counsel	Lori Ann Boychuk	299-2709
Counsel	Peter Enderwick	292-4104
Paralegal	Helen Benes	299-3551
Counsel	Claire McKinnon	299-2707
Counsel	Christine Beauchemin	292-6489
Counsel	Gino Grondin	292-6495
Counsel	Guy Delisle	299-3937
Paralegal	Caroline Healy	292-6540

Information Management Business Unit

Business Unit Leader	Scott Richardson	299-2711
Technical Project Manager, Electronic Regulatory Filing	Neil Levette	299-3613

Communications

Team Leader	Karla Reesor	299-2713
Communications Officer	Denis Tremblay	299-2717
Communications Officer	Ross Hicks	299-3930
Reception		292-4800

Library

Team Leader	Shawn Aitken	299-3932
Library, Information		299-3561

Applications Business Unit

Business Unit Leader	Brenda Kenny	299-3565
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TransCanada PipeLines Limited and Trans Québec & Maritimes Pipeline Inc.

Team Leader	Steve Brown	299-3653
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Westcoast Energy Inc. and Trans Mountain Pipe Line Company Ltd.

Team Leader	Hans Pols	299-3189
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Interprovincial Pipe Line Inc., Trans-Northern Pipelines Inc. and Express Pipeline Ltd.

Team Leader	Vacant	299-2783
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Alberta Natural Gas Company Ltd. and Foothills Pipe Lines Ltd.

Team Leader	Vacant	299-3628
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Exports, Cochin Pipe Lines Ltd. and Natural Gas Liquids Pipelines

Team Leader	Gurdeep Gill	299-3659
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Commodities Business Unit

Business Unit Leader	Terrance Rochefort	299-3646
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Commodity Convergence

Team Leader	Jawed Aziz	299-3630
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Gas

Team Leader	Bill Bingham	299-3198
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Oil

Team Leader	Barry Lynch	299-3197
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Electricity

Team Leader	Julian Emanuel	299-3186
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Resource Assessment

Team Leader	Jim Davidson	299-3135
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Operations Business Unit

Business Unit Leader	John McCarthy	299-2766
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Health, Safety and Environment

Team Leader	Wayne Marshall	299-3901
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Exploration and Development

Team Leader	Terry Baker	299-2792
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Regulatory Development

Team Leader	Bharat Dixit	299-3903
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Pipeline Accident Investigation

Team Leader	Paul Trudel	299-2768
-------------	-------------	----------

Construction Compliance

Team Leader	Christine van Egmond	299-2783
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Corporate Services Business Unit

Business Unit Leader	Sylvia Farrant	299-2703
Assistant		292-4056

Human Resources Development

Team Leader	Christine Elder	299-3698
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Labour Management

Team Leader	Earl Schultz	299-3620
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Planning and Reporting

Team Leader	Peter Schnell	292-6137
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Appendix III

Section 58 Applications

The Board has approved or is considering several applications under section 58 of the NEB Act involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. These matters may be considered by the Board without a public hearing.

Gas Pipelines

Applicants	File/Order Nos.	Application	Est. Cost
ANG Pipeline, a business unit of TransCanada PipeLines Ltd.	File: 3400-A2-25 Order: XG-A2-26-99	Application dated 18 December 1998; approved on 24 March. Compressor structures and improvements; other structures and improvements; mains; and compressor equipment.	1 207 000
Amber Energy Inc., purchased by AEC Suffield Gas Pipelin Inc.	File: 3400-A167-1 Decision pending.	Application dated 24 August 1998. Construction of processed natural gas pipeline from its Ekwan gas plant to be located at c-10-E/94-I-9 in B.C. to meter station on NOVA system at Section 27-110-12-W6M in Alberta.	8 937 000
Blue Range Resource Corporation	File: 3400-B88-4 Order: XG-B88-4-99	Application dated 20 October 1998; approved on 15 January. Looping of Boundary Lake pipeline.	543 000
Canadian Montana Pipeline Corporation	File: 3400-C9-4 Order: XG-C9-14-99	Application dated 9 November 1998; approved on 10 February. Construct a meter station and 750 metres of pipeline.	150 000
Champion Pipeline Corporation Ltd.	File: 3400-C17-6 Order: XG-C17-21-99	Application dated 29 January; approved on 5 March. Remove a pipeline suspended under a bridge in Quebec and directional drilling under the Ottawa River.	225 280
Consumers' Gas (Canada) Ltd.	File: 3400-C283-13 Order : XG-C283-3-99	Application dated 17 December 1998; approved on 26 January. Construct a new sales tap in Brampton, Ontario.	5000
Maritimes & Northeast Pipeline Management Ltd.	File: 3400-M124-4 Order: XG-M124-10-99	Application dated 27 November 1998; approved on 10 February. Construction of five kilometres of the Point Tupper Lateral.	N/A
Penn West Petroleum Ltd.	File: 3400-P166-2 Order: XG-P166-67-98	Application dated 9 July 1998; approved on 14 January. Construction of a 33 km pipeline in northern Alberta and British Columbia.	7 810 300
	File: 3400-P166-3 Order: XG-P166-5-99	Application dated 13 November 1998; approved on 20 January. Construct a 2.1-kilometre pipeline at Esther 15-13, Alberta.	182 000
Star Oil and Gas Ltd.	File: 3400-S168-1 Order: XG-S168-11-99	Application dated 7 December 1998; approved on 5 February. Construct five related pipelines from British Columbia to Alberta.	440 000
TransCanada PipeLines Ltd.	File: 3400-T1-161 Order: XG-T1-7-99	Application dated 12 November 1998; approved on 25 January. Line lowering.	1 300 000
	File: 3400-T1-161 Order: XG-T1-8-98	Application dated 2 October 1998; approved on 25 January. Install MLV and isolating flang gaskets.	18 900 000
	File: 3400-T1-164 Order: XG-T1-23-99	Application dated 17 February; approved on 23 March. Seven projects under its Pipeline Maintenance Program.	13 097 000

Gas Pipelines

Applicants	File/Order Nos.	Application	Est. Cost
Westcoast Energy Inc.	File: 3400-T1-163 Order: XG-T1-25-99	Application dated 6 January; approved on 26 March. Six projects.	850 000
	File: 3400-W5-208 Order: XG-W5-2-99	Application dated 12 November 1998; approved on 13 January. Install a custody transfer meter station.	150 000
	File: 3400-W5-211 Order: XG-W5-6-99	Application dated 4 December 1998; approved on 22 January. S0131 - Add flare ignitors - Fort St. John S0136 - Install flare flame detection - Laprise S0161 - Provision for St. John producer taps	348 000
	File: 3400-W5-210 Order: XG-W5-12-99	Application dated 25 November 1998, revised on 25 January; approved on 8 February. Project Q0086: Provision for Fort Nelson producer taps.	500 000
	File: 3400-W5-209 Order: XG-W5-13-99	Application dated 19 November 1998; approved on 9 February. Project Q0048: Husky - Sikanni Meter Station.	212 000
	File: 3400-W5-214 Order: XG-W5-16-99	Application dated 5 February; approved on 25 February. Install sales and receipt point taps.	200 000
	File: 3400-W5-210 Order: XG-W5-17-99	Application dated 25 November 1998; approved on 3 March. Project Q0080: Ground bed replacement. - Yo Yo sending barrel Project Q0081: Fort Nelson field services - Casing and fill Beaver River; Q0083: Helmet Water Analyzer Station.	270 000
	File: 3400-W5-211 Order: XG-W5-18-99	Application dated 4 December 1998; approved on 3 March. Seven projects.	734 000
	File: 3400-W5-217 Order: XG-W5-19-99	Application dated 23 February; approved on 4 March. Temporarily modify Meter Station 66.	225 000
	File: 3400-W5-210 Order: XG-W5-20-99	Application dated 25 November 1998; approved on 5 March. Project Q0067: Cold storage facilities - Fort Nelson Gas Plant Project Q0077: Cold storage facilities - Sikanni Gas Plant Project Q0092: Install effluent plant raw fire supply Project Q0093: Install C/D treated water supply	295 000
	File: 3400-W5-211 Order: XG-W5-22-99	Application dated 4 December 1998; approved on 12 March. Project S0149: Addition of an amine plate frame exchanger at the Aitken Creek Gas Plant.	300 000
	File: 3400-W5-218 Order: XG-W5-24-99	Application dated 4 February; approved on 15 March. Replace 30 inch southern Mainline at Deadman River.	200 000
	File: 3400-W5-211 Order: XG-W5-28-99	Application dated 4 December 1998; approved on 31 March. Project S0128: Casing upgrades - Fort St. John Project S0129: Addition of cathodic protection and chemical injection - Fort St. John Project S0151: Installation of station suction drip leg - Beg Jedney	177 000

Oil Pipelines

Applicants	File/Order Nos.	Application	Est. Cost
CXY Energy Marketing	File: 3400-C373-1 Decision pending	Application dated 7 July 1998. Construct an oil emulsion pipeline. On 12 August and 14 October 1998, the Board sent letters to CXY requesting additional information.	6 000 000
Endridge Pipelines Inc.	File: 3400-E101-6 Order: XO-E101-9-99	Application dated 14 December 1998; approved on 29 January. Fifteen projects.	9 793 400
	File: 3400-E101-6 Order: XO-E101-6-99	Application dated 14 December 1998; approved on 17 February. Eleven projects.	2 800 000
	File: 3400-E101-7 Order: XO-E101-12-99	Application dated 26 February; approved on 24 March., Install additional sampling and flushing equipment at the Edmonton Terminal Station.	16 400
	File: 3400-E101-9 Order: XO-E101-13-99	Application dated 10 March; approved on 26 March. Modification to station piping facilities at the Westover Station.	1 700 000
Enbridge Pipelines (NW) Ltd.	File: 3400-E102-1 Order: XO-E102-1-99	Application dated 18 December 1998; approved on 13 January. Project 19991370A002 - Pipe replacement and sleeve installation.	2 390 0000
	File: 3400-E102-1 Order: XO-E102-2-99	Application dated 18 December 1998; Approved on 14 January. Project 9783R99-06 - Construct a generator building.	7 800
	File: 3400-E102-1 Order: XO-E102-10-99	Application dated 12 February; approved on 1 March. Sleeve installation.	77 300
Enbridge Pipelines (Westspur) Inc.	File: 3400-E103-1 Order: XO-E103-4-99	Application dated 5 January; approved on 26 January. Project C9 P3 - Stelman pump room bypass	60000
	File: 3400-E103-1 Order: XO-E103-11-99	Application dated 5 January; approved on 19 March. Seven projects.	591 300
Penn West Petroleum Ltd.	File: 3400-P166-4 Order: XO-P1666-7-99	Application dated 4 January; approved on 4 March. A 1.2 kilometre crud oil emulsion pipeline.	114 000
Trans Mountain Pipe Line Company Ltd.	File: 3400-T4-47 Order: XO-T4-3-99	Application dated 22 December 1998; approved on 18 January. Project 7120 - Replace drain line (Edmonton Terminal) Project 7165 - Tank gauge pole seals (Sumas Tank Farm) Project 7168 - Tank gauge pole seals (Burnaby Terminal) *These projects were previously approved by Order XO-T4 5-98. Trans Mountain requested an extension to the construction date to 31 December 1999.	*N/A
	File: 3400-T4-64 Order: XO-T4-5-99	Application dated 12 January; approved on 12 February. Project 9501: Mailine cutouts in boundaries of Jasper National Park.	259 000

Applicants	File/Order Nos.	Application	Est. Cost
	File: 3400-T4-64 Order: XG-T4-9-99	Application dated 12 January, amended on 19 February; approved on 26 February. Project 9501: Mainline cutouts in boundaries of Jasper National Park.	259 000
	File: 3400-T4-63 Order: XO-T4-8-99	Application dated 21 December 1998; approved on 25 February. Groundwater remediation facilities at the Jasper Pump Station.	837 000
Trans-Northern Pipelines Inc.	File: 3400-T2-37 Order: XO-T2-38-98	Application dated 30 November 1998; approved on 8 January. Thirty one pipeline replacements in Edwarsburg Township, Ontario.	500 000
Westspur Pipe Line Company Inc.	File: 3400-W2-23 Decision pending.	Application dated 1 October 1998. Construction of Gainsborough Lateral 1.2 km line with associated valve and pump facilities between Manitoba (LSD 13-6-3-29 W1M) and Saskatchewan (LSD 12-1-3-30 W1M).	145,000

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament. Over the course of its history, it has played an important role in the development of Canada's energy sector.

The Board's regulatory powers under the *National Energy Board Act* include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and designated interprovincial and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment, and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by the Ministry of Labour to administer Part II of the *Canada Labour Code*.

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as represented by the National Energy Board

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par l'Office national de l'énergie

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Regulatory Agenda

The period covered in this Regulatory Agenda is 1 April to 30 June 1999

Applications Considered by Public Hearing

1. **Enron Capital & Trade Resources Corp. (ECTR) - Natural Gas Export Licence - GHW-1-99**

Letter Decision dated 13 May 1999 and issued on the same date.

The Board approved ECTR's application to export natural gas, for a 10-year period commencing on the later of 1 November 1999 or the date of first deliveries, to serve its markets in the United States Northeast and Michigan area.

The natural gas will be exported from St. Clair, Ontario. The volumes to be exported are: **Daily** - 566 600 cubic metres (20.0 million cubic feet); **Annual** - 206.8 million cubic metres (7.3 billion cubic feet); **Term** - 2 068.0 million cubic metres (73.0 billion cubic feet). The natural gas will be purchased from PanCanadian Petroleum Limited's supply within the province of Alberta.

The Board held a written public hearing to consider the application.

2. **Imperial Oil Resources Limited (Imperial) and Boston Gas Company (Boston Gas) - Export of Natural Gas from Sable Island - GH-1-99**

Reasons for Decision dated June 1999; issued on 23 June 1999.

The Board approved a joint application from Imperial and Boston Gas for a licence to export natural gas to serve Boston Gas' markets in the State of Massachusetts during the period 1 November 1999 to 31 March 2007.

The natural gas will be exported from St. Stephen, New Brunswick. The volumes to be exported are: **Daily** - 1.2 million cubic metres (42.5 million cubic feet); **Annually** - 440.0 million cubic metres (15.5 billion cubic feet); **Term** - 3 262.0 million cubic metres (115.1 billion cubic feet). The natural gas will be produced from the Sable Offshore Energy Project on Canada's east coast.

The Board held a public hearing on the application on 4 and 5 May 1999 in Halifax, Nova Scotia.

3. **Alliance Pipeline Ltd. (Alliance) - Detailed Route Hearing - MH-1-99 and MH-2-99**

See item 1 under *Hearings in Progress* below.

Hearing Decisions Pending

1. **Maritimes and Northeast Pipeline Management Ltd. (M&NP) - Halifax Lateral - GH-2-99**

The Board held a public hearing from 10 to 17 May 1999 in Halifax, Nova Scotia on an application from M&NP to

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PREFACE

The purpose of this quarterly agenda is to provide information on the Board's activities.

Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the National Energy Board Act, R.S.C. 1985, c.N-7, as amended.

**"We promote Safety,
Environmental Protection and Economic
Efficiency"**

National Energy
Board



Office national
de l'énergie

National Energy Board



construct and operate a natural gas lateral pipeline to Dartmouth, Nova Scotia. The Halifax Lateral Pipeline Project is designed to take natural gas from a point near Stellarton, Nova Scotia to the Tufts Cove generating station in Dartmouth.

The Project will consist of approximately 121 kilometres (75 miles) of pipeline and associated facilities. The estimated cost of the project is \$74 million and the expected in-service date is 1 November 2000.

On 30 June 1999, the Board issued for review and comment by M&NP, parties to Hearing GH-2-99 and relevant federal departments and agencies a draft Comprehensive Study Report (CSR) in accordance with the *Canadian Environmental Assessment Act* (CEA Act). Comments by interested parties are due by 22 July 1999 and comments by M&NP are due by 26 July 1999. Following receipt and consideration of comments, the Board will finalize the CSR and provide it to the Minister of the Environment, the Canadian Environmental Assessment Agency (CEAA) and all interested parties. CEAA will then conduct a public comment process pursuant to the CEA Act.

2. Alliance Pipeline Ltd. (Alliance) - Detailed Route Hearing - MH-1-99 and MH-2-99

See item 1 under *Hearings in Progress* below.

Hearings in Progress

1. Alliance Pipeline Ltd. (Alliance) - Detailed Route Hearing - MH-1-99 and MH-2-99

Reasons for Decisions dated 5, 18 and 28 May 1999.

The Board has issued decisions on six oppositions to the detailed route proposed by Alliance Pipeline Ltd. The Board denied objections from Paul Vincent Dyke of Rosedale, Saskatchewan, Alex and Mary Banga of Regina, Saskatchewan, Katharine Murphy O'Flynn of San Francisco, who owns property near Regina, John and Linda Irving of Regina and Margaret Cook of Edmonton, Alberta. The Board found, on balance, that the route proposed by Alliance is the best possible route for the pipeline in those cases and found that Alliance has committed to the most appropriate methods and timing of construction. Regarding the objection by Vernon Tymkow of Edmonton, the Board found that either of two alternates proposed by him are potentially as good as, or better, than the proposed route to the north of his property. Therefore, the Board denied the approval of the proposed detailed route by Alliance.

The Board held public hearings on those cases in Regina from 12 to 15 April 1999 and in Edmonton on 27, 29 and 30 April 1999. Hearings were also held in Grande Prairie, Alberta from 31 May 1999 to 2 June 1999. Decisions on those hearings are pending. The Board will conduct another public hearing in Edmonton commencing on 27 July 1999

regarding a revised detailed route filed by Alliance with respect to the property of Vernon Tymkow. The Board had previously denied the detailed route proposed by Alliance on that property. The Board advised interested parties that if no objections are received by 19 July 1999 regarding the revised route, the Board will cancel the hearing.

On 3 December 1998, the Board issued, following a 77-day public hearing, a certificate approving the construction and operation of the Canadian portion of the Alliance Pipeline Project. The Board also approved the general route of the pipeline at that time. Alliance subsequently applied to the Board for approval of plans, profiles and books of reference showing the proposed detailed route of the pipeline.

Alliance was given approval to construct and operate a high pressure natural gas pipeline system from northeastern British Columbia and northwestern Alberta and across Saskatchewan to the midwest U.S. The Canadian portion of the system will consist of approximately 2 300 kilometres (1 430 miles) of pipeline ranging up to 1 067 millimetres (42 inches) in diameter and other facilities including seven mainline compressor stations. The pipeline is scheduled to be in service in the second half of the year 2000.

2. ProGas Limited - Natural Gas Export - GHW-2-99

The Board is conducting a public hearing by way of written submissions on two applications from ProGas for long-term licences to export natural gas. The first application was filed jointly by ProGas and the City of Duluth, Minnesota to export natural gas to supply the City of Duluth for a 10-year period commencing on 1 November 1999. The second application is to amend two existing natural gas export licences underpinning exports to the City of Perham, Minnesota and to ProGas' market in the U.S. Northeast.

Regarding the proposed export (through Emerson, Manitoba) to the City of Duluth, the volumes to be exported are: **Daily** - 171 400 cubic metres (6.1 million cubic feet); **Annually** - 62.6 million cubic metres (2.2 billion cubic feet); and **Term** - 626.0 million cubic metres (22.1 billion cubic feet).

With respect to the proposed export (through Emerson, Manitoba) to the City of Perham, ProGas has requested amendments to an existing export licence by increasing the volumes currently authorized for the period 1 November 1999 to 31 October 2007 as follows:

	Currently Authorized	Requested Increase
Daily:	67 000 m ³ (2.4 million ft ³)	74 190 m ³ (2.6 million ft ³)
Annual:	24.4 million m ³ (861.3 million ft ³)	27.0 million m ³ (953.1 million ft ³)
Term:	378.3 million m ³ (13.4 billion ft ³)	412.4 million m ³ (14.6 billion ft ³)

ProGas also requested approval to amend the pricing provisions in the Gas Sales Agreement with the City of Perham.

Regarding the proposed export (through Iroquois, Ontario) to supply ProGas' markets in the U.S. Northeast, ProGas requested amendments to an existing licence by increasing the volumes currently authorized for the period 1 November 1999 to 31 October 2006 as follows:

	Currently Authorized	Requested Increase
Daily:	458 000 m ³ (16.2 million ft ³)	825 200 m ³ (29.1 million ft ³)
Annual:	167.2 million m ³ (5.9 billion ft ³)	301.3 million m ³ (10.6 billion ft ³)
Term:	1 672.0 million m ³ (59.0 billion ft ³)	2 610.9 million m ³ (92.2 billion ft ³)

All of the natural gas would be supplied from producers in Alberta, British Columbia and Saskatchewan contracted to ProGas.

Hearings Scheduled

1. *TriState Canada Limited Partnership (TriState) - Pipeline Construction - GH-3-99*

The Board will hold a public hearing commencing on 8 September 1999 in London, Ontario on an application by TriState to construct and operate a natural gas pipeline and associated facilities in southwestern Ontario.

The TriState Pipeline Project would be a new international pipeline project that would provide natural gas transmission service from a point near Joliet, Illinois to a hub located near Dawn, Ontario. The Canadian portion of the project would consist of approximately 8.3 kilometres (five miles) of 610 millimetre (24 inch) pipe extending from a point at the U.S. - Canada International Border in the St. Clair River near Sarnia, Ontario to a point of connection with the existing Bickford Station of Union Gas Limited (Union) near Sarnia. From that point, TriState's shippers would access Dawn via Union's system. The proposed facilities would have a design capacity of 12.7 million cubic metres (450 million cubic feet) per day. TriState plans an in-service date of November 2000. The estimated capital cost of the project is \$14 million.

2. *TransCanada PipeLines Limited (TCPL) - Detailed Route - Mr. Lauritsen - MH-3-99*

The Board will hold a public hearing commencing on 20 September 1999 in Hearst, Ontario to consider an objection by Mr. Lauritsen concerning TCPL's detailed route of its Line 104 in the vicinity of Mr. Lauritsen's lands near Hearst. The pipeline in question was approved as a result of public hearing GH-3-98 - TCPL's 1999 Facilities.

Hearings Postponed

1. *Mr. Robert A. Milne, 3336101 Ontario Limited, c.o.b. as Milne Crushing & Screening - MH-1 97*

For more information on this matter, refer to item 1 under *Hearings Postponed* in issue No. 62 of the *Regulatory Agenda* dated 1 October 1997.

2. *TransCanada PipeLines Limited - Contract Renewal Rights and Expansion Policy Requirements - RH-3-97*

For more information on this matter, refer to item 2 under *Hearings Postponed* in issue No. 62 of the *Regulatory Agenda* dated 1 October 1997.

3. *Crowsnest Pipeline Project (CNP) - Natural Gas Pipeline*

For more information on this matter, refer to item 1 under *Hearing Applications, Hearing Application Suspended* of issue No. 63 of the *Regulatory Agenda* dated 1 January 1998.

Hearing Applications Filed

1. *Maritimes & Northeast Pipeline Management Ltd. (M&NP) - Saint John Lateral*

On 5 June 1998, M&NP filed an application for approval to construct and operate a natural gas pipeline lateral to Saint John, New Brunswick.

M&NP applied to construct approximately 102 kilometres (63 miles) of pipeline and associated facilities from its mainline near Big Kedron Lake, New Brunswick to the City of Saint John. M&NP also proposes to construct approximately 8 kilometres (5 miles) of pipeline and associated facilities from a point on the lateral to the Lake Utopia area. The current volume of natural gas requested for transportation on the lateral is approximately 3.7 million cubic metres (130.6 million cubic feet) per day. The estimated cost of the project is \$91 million and the proposed in-service date is 1 November 2000.

On 21 August 1998, the Board initiated the scoping of the environmental assessment that is required under the Canadian Environmental Assessment Act (CEAA) for the Saint John Lateral. The scoping exercises are intended to provide a framework for M&NP environmental assessment and involves a determination of the scope of the project, the factors to be assessed, and the scope of those factors. On 2 October 1998, the Board released its decision on the scoping.

On 2 October 1998, the Board delegated the preparation of the Comprehensive Study Report for the Saint John Lateral to M&NP pursuant to Section 17 of the CEAA.

2. *St. Clair Pipelines (1996) Ltd. (St. Clair) - TransCanada PipeLines Limited (TCPL) - Pipeline Projects in Ontario*

On 9 and 16 December 1998, TCPL and St. Clair, respectively, applied to construct pipelines to transport natural gas to markets in the northeast and mid-Atlantic United States.

St. Clair applied to construct a 74-kilometre (46-mile) pipeline and related facilities extending from a point near Sarnia, Ontario to the shore of Lake Erie near Patrick Point, Ontario, 25 kilometres (15.5 miles) southwest of Port Stanley (the Millennium West Pipeline). There it will interconnect with the Lake Erie Crossing requested by TransCanada.

The proposed TransCanada Lake Erie Crossing is a 97.4-kilometre (60.5-mile) pipeline, extending from the lakeshore to the Canada/United States border located near the middle of Lake Erie where it will interconnect, beneath

the waters of Lake Erie, with the proposed Millennium Pipeline, creating a new Lake Erie export point. From shore-to-shore the lake crossing is about 145 kilometres (90 miles) long.

The initial capacity of the proposed pipelines is 19.8 billion cubic metres (700 million cubic feet) per day. The proposed Millennium West Pipeline is estimated to cost \$166 million while the total project cost of the proposed Lake Erie Crossing is estimated at \$162 million. The two companies plan an in-service date of 1 November 2000.

Regarding the environmental assessment required by the Canadian Environmental Assessment Act for the proposed Millennium West Pipeline and the Lake Erie Crossing, which is collectively called the Canadian Millennium Project, the Board has referred the Project to the Minister of the Environment for a referral to a review panel.

Other Applications

The Board had, or has, before it a number of applications and other matters that do not require public hearings. Since the 1 April 1999 issue of the Regulatory Agenda, the matters below have been or are being considered by the Board.

ELECTRICITY MATTERS

Matters Completed

1. *Canadian Niagara Power Company, Limited (CNPCL) - Power Line*

On 14 May 1999, the Board approved an application dated 8 September 1998 from CNPCL for authorization to rehabilitate and operate an international power line. One circuit of the line will be a 115 000 volt circuit operating at 60 hertz; the other will have nominal voltage of 40 600 operating at 25 hertz. The line will extend a distance of approximately four kilometres from CNPCL's Station 18 located at Fort Erie, Ontario to a point on the international boundary on the Niagara River.

2. *Ontario Hydro - Amendments to Certificate of Public Convenience and Necessity EC-III-13*

On 21 May 1999, the Board approved an application dated 5 March 1999 from Ontario Hydro to amend an existing certificate (EC-III-13) for a international power line which was issued in July 1973. Ontario Hydro applied to amend the following conditions of the Certificate:

- 3(a) replace 0.4 mile with 0.28 mile (due to an error in the description of the distance from the switchyard of the

Lambton Generating Station to the anchor tower of the river crossing)

- 3(a) replace "one 2,332,800 circular mil aluminum cable steel reinforced (ACSR) conductor per phase" to "a bundle of two 1,843,200 circular mil aluminum cable steel reinforced (ACSR) conductors per phase"
- 4 the insertion of wording similar to what is presently in metering condition 4. Existing metering facilities for the international power line ("IPL") will be replaced by CSA approved metering facilities. Instrument Transformers and AC electricity meters will conform to CSA standards.

The Board also approved an amendment to Certificate EC-III-6 to add a phase-shifting transformer and auxiliary work.

In a letter dated 16 April 1999, Pollution Probe had submitted that the Board hold a public hearing on the application. The Board decided that, due to the restricted nature of the work involved, further public review is not warranted in the present case.

Matters Under Consideration

3. *Bonneville Power Administration (BPA) - Electricity Export*

On 7 May 1999, BPA filed an application seeking a five year authorization to export energy purchased from the Alberta Power Pool (APP). Export purchases would be under the price and terms of the APP.

4. Constellation Power Source, Inc. (CPS) - Electricity Export

On 25 June 1999, CPS filed an application seeking a ten year electricity export authorization for up to 700 megawatts of power and 5 256 gigawatt hours of energy annually on a firm and interruptible basis. The energy to be exported would be transmitted over any international power line for which the Board has issued or will issue a Certificate of Public Convenience and Necessity or a Permit.

NATURAL GAS MATTERS

Matters Completed

1. New England Power (NEP) - Transfer Natural Gas Export Licence GL-160

On 18 May 1999, the Board approved an application by NEP to transfer natural gas export Licence GL-160 to USGen New England, Inc. Under Licence GL-160, NEP was authorized to export natural gas to its facilities in Massachusetts and Rhode Island. As a result of recent restructuring of the electrical industry in the United States, NEP auctioned certain of its assets, including its power plants that burn natural gas. In this regard, USGen New England, Inc. was the successful bidder of that auction.

2. Kamine/Besicorp Carthage L.P. (Kamine/Besicorp) - Applications to Revoke Natural Gas Export Licences GL-158, GL-191, GL-198 and GL-199

On 27 May 1999, the Board approved four applications dated 5 May 1999 from Kamine/Besicorp to revoke the above-noted natural gas export licences. Under the licences, Kamine/Besicorp was authorized to export natural gas to fuel cogeneration plants in Carthage, Natural Dam, Beaver Falls and Syracuse, New York.

3. Kamine/Besicorp South Glen Falls L.P. (Kamine/Besicorp) - Applications to Revoke Natural Gas Export Licences GL-159

On 18 June 1999, the Board approved an application dated 8 June 1999 from Kamine/Besicorp to revoke the above-noted natural gas export licence. Under the licence, Kamine/Besicorp was authorized to export natural gas to fuel a cogeneration plant in South Glen Falls, New York.

4. Imperial Oil Resources Limited and Selkirk Cogen Partners, L.P. (Joint Applicants) - Contract Amendments - Natural Gas Export Licence GL-193

On 27 May 1999, the Board approved an application dated 19 April 1999 from the Joint Applicants for amendments to the Amended and Restated Gas Purchase Agreement underpinning natural gas exports under Licence GL-193. As a result of the implementation of the Federal Energy Regulatory Commission's Order 636, certain rate schedules

in the purchase agreement were eliminated. The Joint Applicants sought approval of price mechanism replacements for those schedules that were eliminated. Under Licence GL-193, the Joint Applicants were authorized to export natural gas to fuel a cogeneration plant in Selkirk, New York.

5. ProGas Limited (ProGas) - Contract Amendments - Natural Gas Export Licence GL-231

On 18 June 1999, the Board approved an application dated 31 May 1999 from ProGas for amendments to the Gas Sales Agreement underpinning natural gas exports under Licence GL-231. The amendments include changes to the pricing provisions in the agreement. Under Licence GL 231, ProGas exports natural gas to the Consumers Poser Company, a local distribution company in Michigan.

Matter Under Consideration

6. Engage Energy Canada, L.P. (Engage) - Transfer of Several Gas Export Licences

On 7 May 1997, Engage applied for approval to transfer Licences GL-187, GL-221, GL-222, GL 223, GL-224, GL-225, GL-226 and GL-227 from Westcoast Gas Services Inc. to Engage Energy Canada, L.P.

On 4 March 1998, Engage requested to extend the time necessary to complete certain third party Consents to Assignment supporting the application. On 11 March 1998, the Board confirmed that it will hold Engage's application in abeyance.

PIPELINE MATTERS

Matters Completed

1. Safety Audit Reports

The Board has adopted the Safety Management Audit Report to Verify Compliance with Respect to the Onshore Pipeline Regulations for the following companies.

Interenergy Sheffield Processing Company (Canada) Ltd.	16 April 1999
Husky Oil Operations Ltd.	20 April 1999
Minell Pipeline Ltd.	22 April 1999
Express Pipeline Ltd.	26 April 1999
TransCanada PipeLines Limited (Toronto and Thunder Bay Regions)	7 May 1999

2. Northstar Energy Corporation (NEC) - Natural Gas Pipeline - GH-1-98

On 21 June 1999, the Board approved an application dated 3 May 1999 from NEC to revoke Order XG-N150-29-98

which authorized the construction of 7.2 kilometres (4.5 miles) of pipeline from NEC's Coleman Gas Plant, located west of Coleman in Savanna, Alberta, through the Phillips Pass, to connect to the Alberta Natural Gas Company Ltd. main transmission pipeline west of the Alberta/British Columbia border.

The Board had approved the construction of the pipeline following a public hearing held in Calgary, Alberta from 30 March to 6 June 1998.

3. *Murphy Oil Company Ltd (Murphy) - Reactivate the Wascana Pipeline System*

On 30 June 1999, the Board approved an application dated 15 June 1999 from Murphy for the reactivation of the Wascana Pipeline System and an exemption to perform a hydrostatic test prior to its reactivation. The Wascana Pipeline System is a 172-kilometre (107-mile) crude oil pipeline which runs from Regina, Saskatchewan to the Canada-US Border. The pipeline was deactivated on 1 April 1997.

4. *Section 58 Applications*

The Board has approved or is considering several applications under section 58 of the NEB Act involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. These matters may be considered by the Board without a public hearing. See Appendix III for a description of the applications approved or under consideration.

Matters Under Consideration

5. *AEC Suffield Gas Pipeline Inc. (AEC Suffield) - Amber Energy Inc. (Amber) - Pipeline Construction - Ekwana Pipeline Project*

On 24 August 1998, Amber applied for approval to construct a 36-kilometre (22-mile) natural gas pipeline from Amber's Ekwana Gas Plant to be located at c-10-E/95-I-9 in British Columbia to a meter station on the Nova Gas Transmission Ltd. system at Section 27-110-12-W6M in Alberta. The estimated cost of the pipeline is \$8.94 million.

On 23 October 1998, the Board sent a letter to Amber requesting additional information. On 29 October 1998, the Board invited Amber to either revise its application to include certain upstream facilities or to comment on the completeness of the application.

Effective 1 December 1998, all of the issued and outstanding shares of Amber were purchased by Alberta Energy Ltd. The pipeline facilities forming part of the Ekwana Pipeline Project will be held by AEC Suffield Gas Pipeline Inc. (AEC Suffield), a wholly owner subsidiary of Alberta Energy Ltd.

On 2 and 24 February 1999, AEC Suffield responded to the Board's requests for information of 23 and 29 October 1998.

In its response of 24 February, the Company indicated that it chose not to amend its application to include upstream facilities contending that the application before the Board, as supplemented by the responses to the Board's information request, was complete.

On 9 April 1999, the Board advised AEC Suffield that it noted the purchase of Amber's assets by AEC Suffield and that the Board had amended its records to reflect AEC Suffield as the applicant for this project. The Board also, on the same date, determined that it was not necessary for AEC Suffield to include any facilities upstream of the applied-for pipeline in its applications. The Board, however, advised the Company that the Board had an obligation under section 15 of the Canadian Environmental Assessment Act, to determine the scope of the assessment in respect of the project. In that respect, the Board requested additional information from AEC Suffield.

On 30 June 1999, the Board sent another letter to AEC Suffield requesting additional information.

6. *Government for the Northwest Territories (GNWT) - Complaint - TransCanada PipeLines Limited (TCPL) and Nova Gas Transmission Ltd. (Nova)*

On 7 May 1999, the GNWT filed a complaint seeking relief in connection with certain a certain Alberta pipeline system owned by TCPL. The GNWT is asking, inter alia, that the Board require that the Alberta pipeline system be declared a federal pipeline within the meaning of the National Energy Board Act. The Alberta pipeline system was formerly owned and operated by Nova. Since the merger of TCPL and Nova, TransCanada now owns the Alberta Pipeline System.

The GNWT wishes to ensure that appropriate institutional arrangements are in place for the transportation of natural gas to permit the development of reserves in the Northwest Territories on a basis no less favourable than the arrangements which applied to the development of natural gas reserves elsewhere in Canada.

On 29 June 1999, the Board agreed to a joint request from the GNWT and TCPL for an extension of time for TCPL to file a response to the complaint, a step required prior to the Board deciding on an appropriate procedure to deal with the matter. The Board stated that time constraints imposed by its Rules of Practice and Procedure will not be imposed, but that should it appear that no further progress is being made or that discussions have come to a standstill, it will further reconsider its position and may reinstate appropriate time frames if it deems it appropriate.

7. *Western & Pacific Pipelines Ltd. (W&P), as Agent for Pipestone Pipelines Ltd. (Pipestone) - Pipeline Construction*

On 17 March 1999, W&P applied for approval to construct a 100-metre crude oil pipeline linking the Wapella Pipelines

Ltd. pipeline in Saskatchewan to the Wapella Pipelines Manitoba Inc. pipeline in Manitoba.

On 31 March 1999, the Board decided that a determination of the appropriate jurisdiction of the facilities must be made. The Board noted that the Pipestone pipeline will connect to the Wapella Pipelines Ltd. and Wapella Pipelines Manitoba Inc. facilities which have been built under provincial authorization. Therefore, the Board has issued a Notice of Constitutional Question asking for comment on the following question:

Is the proposed Pipestone pipeline part of a larger extraprovincial work or undertaking, including facilities constructed by Wapella Pipelines Ltd. in Saskatchewan and Wapella Pipelines Manitoba Inc. in Manitoba, which is subject to the jurisdiction of Parliament pursuant to paragraph 92(10)(a) of the Constitution Act 1867?

On 11 May 1999, the Board advised W&P that it was of the view that the facilities constructed by Wapella Pipelines Ltd. and Wapella Pipelines Manitoba Inc. together with the Pipestone Pipeline form part of an integrated pipeline operation. However, the Board also recognized that the primary purpose of the pipeline is a gathering line to feed, ultimately, into the Enbridge Pipelines Ltd. ("Enbridge") pipeline. Given this, and based on recent case law, the Board was of the view that federal jurisdiction could only commence at, and include, the Red Jacket Terminal and continue to the interconnection at the Enbridge Terminal at Cromer, Manitoba.

The Board decided that in order to make a determination on the jurisdiction of the Wapella pipeline system, an application for a certificate for the operation of the pipeline from and including Red Jacket to Cromer, pursuant to section 52 of the NEB Act will be required. The Board advised the Company that it will proceed with its consideration of Pipestone's section 58 application separately.

In arriving at this determination, the Board considered the comments of W&P and several Attorneys General regarding the constitutional question posed.

On 31 May 1999, W&P filed a section 52 application.

TRAFFIC, TOLLS AND TARIFF MATTERS

Matters Completed

1. *Foothills Pipe Lines (Alta.) Ltd., Foothills Pipe Lines (South B.C.) and Foothills Pipe Lines (Sask.) Ltd. - 1998 Operating and Maintenance Expense Budgets*

On 30 April 1999, the Board approved an application dated 27 November 1998 from Foothills Pipe Lines Ltd.

(Foothills), on behalf of the above noted subsidiaries, for approval of Operating and Maintenance Expense Budgets for the 12-month period ending on 31 December 1999.

On 17 December 1998, the Board had issued an interim order approving interim budgets for the year ending 31 December 1999 equal to 50 per cent of the budgets submitted.

2. *Foothills Pipe Lines Ltd. (Foothills) - Interruptible Tolls - Zone 9*

On 30 April 1999, the Board approved an application dated 1 March 1998 from Foothills for approval of new interruptible tolls for Zone 9, the Saskatchewan portion of the Foothills system.

On 26 March 1999, the Board had approved interruptible tolls for Zone 9, as applied for, on an interim basis effective 1 April 1999.

3. *TransCanada PipeLines Limited (TCPL) - Interim Tolls Re: Refund from Great Lakes Gas Transmission Limited Partnership (Great Lakes)*

On 7 June 1999, the Board approved an application by TCPL for approval of final Firm Transportation (FT), Firm Service Tendered (FST) and Storage Transportation Service (STS) tolls for 1996, 1997 and 1998. The Board had previously approved interim tolls for those services pending the final disposition of all appeals relating to certain orders by the United States' Federal Energy Regulatory Commission (FERC) regarding incremental tolling on the Great Lakes system.

On 19 September 1996, the Board had issued its decision on how TCPL should distribute a refund of approximately \$38 million (U.S.) that it expected to receive from Great Lakes over a period of three years commencing in 1996.

During the period 1 November 1991 to 30 September 1995, TCPL paid incremental tolls in respect of the Great lakes 1989/1990 expansion. These incremental tolls had been approved by a FERC Order, and were borne by TCPL's shippers through the tolls for service on TCPL's system. However, as a result of an appeal by TCPL and other Great Lakes shippers, the US Court of Appeal directed FERC to review its decision to allow for incremental tolling of Great Lakes' 1989/1990 expansion projects. This change in tolling methodology resulted in a refund to the Great lakes shippers, including TCPL. The FERC decision on this matter is set out in various orders. The FERC orders were appealed, therefore, TCPL had requested interim tolls for 1996, 1997 and 1998 until final disposition of those appeals. All the appeals were disposed of in January 1998. TCPL requested on 1 June 1999 that the FT, FST and STS tolls for 1996, 1997 and 1998 be made final.

4. TransCanada PipeLines Limited (TCPL) - First Report of the 1999 Tolls Task Force

TCPL applied for approval of several resolutions as contained in the above-noted report. The Board approved the following:

Resolution No.	Date Approved	Subject
01.99	28 Jan. 1999	Receipt and delivery point update
02.99	28 Jan. 1999	NEB refund disposition
03.99	28 Jan. 1999	Kamine capacity
04.99	28 Jan. 1999	Performance of the Compulsory Compliance Audit
05.99	15 Feb. 1999	1999 tolls filing delay
07.99	19 Mar. 1999	Interruptible Backhaul Transportation - Blanket Contract
08.99	30 April 1999	Parking and loan permanent service
09.99	30 April 1999	Equity financing of mainline assets
10.99	11 May 1999	Enhanced Pipeline Maintenance Program - 1999
11.99	16 June 1999	Portland related facilities
12.99	16 June 1999	Capacity allocation
13.99	16 June 1999	Trans Quebec & Martimes Pipeline Inc. - 1999 Transmission by others expenses
14.99	25 June 1999	Incentive Audit Report

5. Westcoast Energy Inc. (WEI) - 1999 Final Tolls for Transmission

On 15 April 1999, the Board approved an application dated 5 March 1999 from WEI for approval for final 1999 tolls for transmission (TG-3-99).

The Board had sought comments of interested parties on the application.

Matters Under Consideration

6. Enbridge Pipelines Inc. - Natural Gas Liquids (NGL) Toll Methodology and Access

In its MH-4-96 decision, the Board granted an application by PanCanadian Petroleum Limited for access for its NGL to the Enbridge pipeline system at Kerrobert, Saskatchewan and in

addition, sought to encourage the development of a market-responsive solution to provide open access to the Enbridge system for all potential NGL shippers. Therefore, the Board directed Enbridge to file a report with details of the process, content and outcome of its discussions with the NGL industry to facilitate this access and as soon as practical thereafter an application.

On 15 March 1999, Enbridge filed the required application. The application is based upon:

7. Enbridge Pipelines Inc. (Enbridge) - Amend Toll Order

On 1 June 1999, Enbridge applied for approval to amend Toll Order TO-1-95 respecting the Negotiated Tolls Settlement between Enbridge and the Canadian Association of Petroleum Producers. The requested amendment is to reflect an amended methodology for calculating the revenue requirement for the year 1999.

8. ISH Energy Ltd. (ISH) - Enbridge Pipelines (NW) Inc. (Enbridge (NW)) - Tolls - Complaint

On 12 March 1999, ISH requested that the Board review the annual final adjustment procedure for the allocation of the full cost of service in the determination of final tolls of Enbridge (NW) for the years 1996 to present.

On 12 April 1999, the Board advised ISH that while it was prepared to examine the Company's request on a prospective basis, it could not do so on a retroactive basis because the National Energy Board Act does not allow retroactive rate making. Accordingly, the Board denied ISH's request for a review of Enbridge (NW)'s tolls for the years 1996 to 1998 and for the months of January to April 1999. For the period starting 1 May 1999, the Board decided to seek comments from interested parties regarding ISH's request. The Board had also decided to make Enbridge (NW)'s tolls interim effective 1 May 1999.

In a letter dated 19 April 1999, Enbridge (NW) explained to the Board that, after receiving a request by Imperial Oil, it had undertaken to draft amendments to the Norman Wells Pipeline Agreement to facilitate a change in methodology along the lines suggested in ISH's letter of complaint. Enbridge (NW) stated that, upon completion of the amendment, it intended to solicit views of its shippers and interested persons, and thereafter make application to the Board to amend the methodology if appropriate.

On 7 May 1999, the Board decided to allow Enbridge (NW) to proceed as described above.

On 29 June 1999, the Board approved a request from Enbridge (NW) to extend by one month, from 30 June to 30 July 1999, the deadline for filing amendments to the methodology used to calculate final tolls.

9. *TransCanada PipeLines Limited (TransCanada) - 1999 Tolls*

On 28 May 1999, TransCanada filed an application for approval of its 1999 tolls. TransCanada also requested that the tolls in the application be made interim effective 1 June 1999. On 31 May 1999, the Board the application for interim tolls.

The Board sought comments of interested parties on the application.

10. *PanCanadian Petroleum Limited - Request for Condensate Transportation*

For further information on this matter, refer to item 4 under *Other Applications, Traffic, Tolls and Tariff Matters, Matters Under Consideration* of issue No. 62 of the *Regulatory Agenda* dated 1 October 1997.

FRONTIER MATTERS

1. *Frontier activities for the second quarter of 1999*

- (a) Approval was given to Imperial Oil Resources Ltd. for the following activities at Norman Wells:
 - i) facilities construction project for 1999 pursuant to paragraph 5(1)(b) of the *Canada Oil and Gas Operations Act* (COGOA) (approved on 4 May 1999);
 - ii) "Approval for a Well Operation" pursuant to subsection 19(3) of the *Canada Oil and Gas Production and Conservation Regulations* (COGPCR) (approved on 12 April 1999); and
 - iii) Common flowline testing pursuant to subsection 43(2) of the COGPCR (approved on 11 May 1999).
- (b) Approval was given to the Inuvialuit Petroleum Corporation for the following:
 - i) "Commercial Discovery Declaration" pursuant to

Part II.1, section 28.2 of the *National Energy Board Act* and Part IV, section 35 of the *Canada Petroleum Resources Act* (approved on 18 June 1999); and

- ii) "Production Operations Authorization" pursuant to section 9 of the COGPCR (approved on 30 June 1999).
 - (c) Approval of an application to Alter Condition of a Well was given to Ranger Oil Limited pursuant to paragraph 80(1)(b) of the *Canada Oil and Gas Drilling Regulations* (COGDR) for the well Ranger Fort Liard P-66A (approved on 18 June 1999).
 - (d) Ranger Oil Limited and Canadian Forest Oil Ltd. submitted an application for approval of a "Development Plan" pursuant to subsection 5.1(4) COGOA (approved on 1 April 1999).
 - (e) On 29 June 1999 Chevron Canada Resources and partners submitted an application for approval of a "Development Plan" pursuant to subsection 5.1(4) COGOA.
 - (f) Approval of an application for "Well Termination Record" was given to Canadian Forest Oil pursuant to section 184 of the COGDR (approved on 26 May 1999).
 - (g) Eight new applications for geological, geophysical or geotechnical operation authorization were received. One application was withdrawn and three applications were approved, pursuant to section 5 of the COGOA, as follows:
- | Company | Area | Date approved |
|----------------------|----------------|---------------|
| Chevron Canada | Flett Creek | 30 June 1999 |
| Chevron Canada | Franklin Mts. | 30 June 1999 |
| Canadian Forest Oils | Mackenzie Mts. | 30 June 1999 |

The remaining applications are being reviewed.

Appeals and Review

Appeals Pending

1. *Alberta Department of Energy (ADOE) - Northstar Energy Corporation (NEC) - GH-1-98*

On 25 May 1998, the ADOE applied to the Federal Court of Appeal for leave to appeal a ruling of the Board dated 24 April 1998 in which it dismissed a motion by the ADOE challenging the Board's jurisdiction to hear an application by NEC to construct a pipeline on the grounds that the NEC application involved a local work and undertaking, rather than an extraprovincial work and undertaking.

The ADOE also applied to the Board for a Stay of Execution of the Board's Decision GH-1-98. On 4 June 1998, the Board denied the application for a Stay of Execution. Subsequent to the Board's dismissal of the stay application, ADOE, on 24 June 1998, filed with the Federal Court of Appeal an application for leave to appeal the Board's decision dated 24 April 1998.

The Federal Court granted the leave to appeal and stayed the Board's GH-1-98 Decision. An appeal has been filed and is pending before the Court.

2. *The Industrial Cape Breton Community Alliance Group (the Alliance) on the Sable Gas Project*

On 25 November 1997, the Alliance filed an Originating Notice of Motion with the Federal Court of Canada, Trial Division for the purpose of having the Joint Public Review Panel Report dated 27 October 1997, and the Report of the Commissioner for the Canada-Nova Scotia Offshore Petroleum Board dated 27 October 1997, reviewed, set aside and referred back to the Joint Panel and the Commissioner and that they direct Sable Offshore Energy Project to file a socio-economic impact study incorporating an economic cost-benefit analysis and the environmental effects of the project on Cape Breton. On the same date, the Alliance filed a similar Originating Notice of Motion with the Federal Court of Appeal. Proceedings have been consolidated in the Federal Court, Trial Division. This judicial review application will be heard in May.

3. *Union of Nova Scotia Indians et al - Maritimes & Northeast Pipeline Management Ltd. (M&NP)*

The Union of Nova Scotia Indians et al applied to the Federal Court of Appeal for a judicial review or for leave to appeal a decision by the Board that M&NP had complied with condition 22 of Certificate GC-95. This application was commenced on 12 November 1998. A number of interlocutory applications were filed.

The Court heard the motions and directed that the case proceed as a judicial review application. The applicants record and the respondents records have been filed. No date has been set for a hearing of this matter.

In April, M&NP applied for leave to appeal to the Supreme Court of Canada of the above-noted ruling. No decision on that leave to appeal has been issued.

4. *Rocky Mountain Ecosystem Coalition (RMEC) v. the National Energy Board (NEB) and the Attorney General of Canada Representing the Minister of Agriculture, the Minister of Fisheries and Oceans, the Minister of Natural Resources and the Minister of the Environment, Alliance Pipeline Ltd.*

On 11 January 1999, RMEC filed with the Federal Court Trial Division two applications for judicial review. The two applications were filed with respect to the regulatory proceedings regarding the Alliance Pipeline Project which

consisted of both a comprehensive study report under the Canadian Environmental Assessment Act (CEAA) and a regulatory proceeding under the NEB Act. The first application seeks a mandamus against the Prairie Farm Rehabilitation Administration and the Department of Fisheries and Ocean as it alleges they failed to conduct an environmental assessment as is required under the CEAA. The second application seeks to quash the decision of the NEB on the grounds of natural justice.

On 5 July 1999, the Federal Court Trial Division heard a motion by the Attorney General of Canada seeking to have the two applications dismissed. Judgment on the motion was reserved by the Court.

5. *British Columbia Wildlife Federation and the Steelhead Society of British Columbia (BC Wildlife et al) v. British Columbia Hydro and Power Authority (BC Hydro)*

The BC Wildlife et al filed an application with the Federal Court of Appeal for leave to appeal a decision of the Board dated 6 January 1999 in which it issued an export permit to BC Hydro to allow it to undertake certain export arrangements. Leave to Appeal was granted by the Court and a Notice of Appeal was served on the Board on 19 May 1999.

6. *Athabasca Chipewyan First Nation v. British Columbia Hydro and Power Authority*

The Athabasca Chipewyan First Nation filed an application with the Federal Court of Appeal for leave to appeal a decision of the Board dated 6 January 1999 in which it issued an export permit to BC Hydro to allow it to undertake certain export arrangements. Leave to Appeal was granted by the Court and a Notice of Appeal was served on the Board on 1 June 1999.

7. *Vernon Smith v. Alliance Pipeline Limited and the National Energy Board*

On 4 May 1999, the Board was served with a Motion Record seeking leave to appeal a letter decision of the Board dated 13 March 1999 in relation to an objection filed by Mr. Smith with respect to the detailed route of the Alliance Pipeline project. Mr. Smith also sought a stay of the detailed route hearing from the Federal Court of Appeal pending the outcome on the appeal. A Discontinuance of Action was forwarded to the Board for its consent in June 1999.

Amendments to Guidelines and Regulations

Amendments to the Board's guidelines and regulations completed or in various stages of preparation, include the following:

1. National Energy Board Act Part VI (Oil and Gas) Regulations

The Board is proceeding with recommending that the Governor-In-Council approve amendments to the Regulations because some provisions in the existing Regulations are inconsistent with the new market-based approach to regulating the long-term exportation of crude oil.

2. Onshore Pipeline Regulations (OPR)

The Board will replace its current OPR with a revised version. The Board sought comments of interested persons on new *Onshore Pipeline Regulations, 1999 - Guidelines* (OPR Guidelines). These proposed changes are being made based on findings of past inquiries, including the inquiry concerning stress corrosion cracking on Canadian oil and gas pipelines conducted in 1995-96, together with safety and environmental issues arising from incident investigations, and revised technical standards.

Under the *National Energy Board Act*, the Board may make regulations: governing the design, construction, operation and abandonment of a pipeline; providing for the protection of property and the environment; and ensuring the safety of the public and of the company's employees in the construction, operation and abandonment of a pipeline.

The Board has undertaken to make the OPR more goal-oriented by identifying the required results of proper pipeline design, construction, operation and abandonment of pipelines. It is the pipeline company's responsibility to develop and prove appropriate specifications and procedures to ensure these required results are met. In order to achieve these results, the use of widely accepted standard procedures, such as those published by the Canadian Standards Association, is encouraged.

The Board has developed the OPR Guidelines to assist industry in complying with the requirements of the OPR. The Board is of the opinion that this new approach will promote increased industry responsibility and allow additional flexibility, efficiency and opportunity to implement improved safety and environmental techniques in a more timely manner.

On 22 April 1999, the Board enacted the OPR. The OPR will be forwarded to the Minister of Natural Resources Canada and subsequently to the Governor in Council for approval and publication in Part II of the Canada Gazette.

With respect to the OPR Guidelines, the Board is continuing discussions with interested parties to update and finalize the Guidelines. The Board intends to finalize the OPR Guidelines prior to 1 August 1999, the anticipated date that the OPR will come into force.

3. Canada Oil and Gas Diving Regulations (COGDR or Regulations) and Guidance Notes

On 24 June 1999, the Board issued for public comment a draft of the COGDR and the accompanying Guidance Notes. Comments are requested by 31 July 1999.

In updating safety regulations under its authority, the Board has undertaken to revise, among other things, the COGDR. The existing Regulations are technically dated and prescriptive. In its place, the Board is proposing new Regulations which are goal-oriented. Instead of specifying various aspects of the diving operations, these new Regulations put the responsibility on the Operators to develop and demonstrate how their dive plan specifications and procedures meet the objectives of the Regulations. The use of widely accepted standards and procedures, such as those published by the Canadian Standards Association, is encouraged to meet the objectives of the Regulations. The accompanying Guidance Notes provide clarity, practical advice, and suggestions on how to comply with the Regulations.

The Board believes that this approach promotes increased industry responsibility and allows for flexibility, efficiency, and the opportunity to adopt improved operational and safety techniques in a more timely manner.

4. Offshore Pipeline Regulations

The Offshore Pipeline Regulations will specify the requirements for the protection of property and the environment and the safety of the public and the company's employees in the design, construction, operation and abandonment of an offshore pipeline.

The Regulations are at the drafting stage.

5. Processing Plant Regulations (PPR)

On 19 May 1999, the Board issued for public comments a draft of the PPR. The PPR, when promulgated, will govern the design, construction, operation, maintenance, and abandonment of processing plants which are owned and operated by federally regulated companies and whose function is integral with respect to transportation. Such facilities are presently regulated under the *Onshore Pipeline Regulations*. Comments from the public were due on 30 June 1999.

6. Cost Recovery Regulations (CRR)

On 5 May 1999, the Board issued for comments by interested parties proposed changes to the CRR. Under the CRR, the Board recovers the majority of its operating costs from the regulated industry. The CRR have been in force since 1991. The Auditor General, in its report to Parliament dated September 1998, recommended that the Board undertake a review of the CRR.

In recent months talks have taken place between the Board and the regulated industry through the Cost Recovery Liaison Committee. The consensus of the committee is that the industry is essentially satisfied with the current regulations and would prefer to make only moderate changes to address specific concerns.

Comments from interested parties were due by 28 May 1999.

7. Regulations and Guidelines Pertaining to Canada Oil and Gas Operations Act

The process of creating and amending regulations pertaining to oil and gas activities, under the provisions of the *Canada*

Oil and Gas Operations Act, proclaimed in force in September 1992, is continuing. At present, the regulatory agenda is as follows:

Regulations and Guidelines being drafted:

Canada Oil and Gas Occupational Safety and Health Regulations - Amendments

Canada Oil and Gas Drilling Regulations - Re-structuring

Canada Oil and Gas Production and Conservation Regulations - Amendment

Newfoundland Offshore Area Petroleum Occupational Safety and Health Regulations

Nova Scotia Offshore Area Petroleum Occupational Safety and Health Regulations

Other Matters

Canadian Energy Supply and Demand - 1998-2025

On 30 June 1999, the Board released the above-noted report. The report provides an analysis of energy trends, issues and developments impacting Canada over the next quarter century.

In preparing the report, the Board conducted public consultations to obtain the views of interested parties. Public consultations took place in April 1998 and in February 1999 in Calgary, Ottawa, Toronto, Montreal, Halifax, St. John's, Vancouver and Regina.

Administrative Matters

Board Member

Mr. C. Mervin Ozirny was reappointed Temporary Board Member until 30 November 1999. Mr. Ozirny has been a Temporary Board Member since 31 October 1997.

Speeches

Canadian Supply: A National Viewpoint, a presentation by **Kenneth W. Vollman**, Chairman, to the Ziff Energy Group North American Gas Strategies Conference held in Houston, Texas on 19 April 1999.

Canadian Federal Regulatory Perspective, a presentation by **Bill Bingham**, Team Leader, Gas, to the LDC Forum - Winter of 1999 held in Boston, Massachusetts on 16 April 1999.

Oil and Gas Potential in B.C., a presentation by **Jim Davidson**, Team Leader, Resource Assessment Team, to the Fort St. John Oil and Gas Day held in Fort St. John, British Columbia on 27 May 1999.

Non-Associated Natural Gas Assessment Report for Saskatchewan, a presentation by **Brent Hogue**, Geologist, Resource Assessment Team, to the Canadian Society of Petroleum Geologists - Petroleum Society Joint Convention held in Calgary, Alberta on 15 June 1999.

Documents Issued - 1 April to 30 June 1999

Reasons for Decision

Enron Capital & Trade Resources Corp. - Natural Gas Export Licence - GHW-1-99 - Letter Decision dated 13 May 1999 and issued on the same date.

Imperial Oil Resources Limited and Boston Gas Company - Export of Natural Gas from Sable Island - GH-1-99 - Reasons for Decision dated June 1999; issued on 23 June 1999.

Alliance Pipeline Ltd. (Alliance) - Detailed Route Hearing - MH-1-99 and MH-2-99 - Six decisions on oppositions to the detailed route - Reasons for Decisions dated 5, 18 and 28 May 1999.

Report

Canadian Energy Supply and Demand to 2025 - Issued on 30 June 1999.

Instructions for Filing

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 444 Seventh Avenue S.W., Calgary, AB T2P 0X8; Telephone (403) 292-4800; Fax (403) 292-5503.

Appendix I lists the number of copies required for the different types of applications.

Telephone Numbers

Appendix II lists the telephone number of Board Members and key staff.

Web Site

Internet users are invited to visit the Board's Internet home page at <http://www.neb.gc.ca>.

Board Document System (BDS)

The Board's BDS system is available to the public, offering direct access to an electronic library of regulatory documents. Document contents may be searched on-line with full-text search capabilities. Presently, the system contains Reasons for

Decision dating from 1985 and hearing transcripts from 1991. Other document types will be added gradually, as they become available in standardized electronic format. The BDS may be used from remote locations or at the Board's Calgary office. The only cost to users will be long-distance telephone charges, if any, to connect to the system.

All users are asked to register with the Board and sign a public access agreement. This agreement explains the responsibilities of the user and outlines relevant terms and conditions. Request for a user account may be made by mail, facsimile or telephone at (403) 292-4800. For more information, a brochure on the Board Document System is also available.

National Energy Board

Michel L. Mantha

Secretary

For information:

Denis Tremblay
Tel: (403) 299-2717
Email: d.tremblay@neb.gc.ca

For copies of documents:

Publications Office
Tel: (403) 299-3562
Fax: (403) 292-5503
Email: <http://www.orders.neb.gc.ca>

Appendix I

Number of Copies Required for Filings

Applicants are requested to provide the following number of copies of their applications or other filings to the National Energy Board. For matters not listed below, one copy is sufficient.

Type of Application or Filing	No. of Copies	Type of Application or Filing	No. of Copies
(a) Hearing Matters		(iii) Oil Exports	
(i) Certificates		Registered Oil Export Orders	05
Pipeline	25	(iv) Tolls	
Power Line	20	Class I and II Adjustments	20
(ii) Export Licences		Interim Orders	20
Natural Gas	25	Operating and Maintenance Budgets	20
Electricity	20	Changes in Depreciation Rates	20
(iii) Tolls	25	Quarterly Surveillance Reports	20
(iv) Land Acquisitions	20	New or Changed Tariffs	20
(b) Non-Hearing Matters		Domestic Gas Sales Contracts and Amendments	20
(i) Natural Gas		Amendments to Tariff Orders	20
Export Orders	20	(v) Pipelines and Power Lines	
Orders for Transmission Access	20	Permits	15
Licence Amendments	20	Exemption Orders Pipelines (Sec. 58)	20
Amendments to Export Contracts	20	Certificate Amendments	20
Licence Revocations	20	Leave to Sell or Transfer	20
(ii) Electricity Exports		Incident Reports	20
Permits	15	(vi) Other	
Licence or Permit Amendments	15	Application for Review	20
Licence or Permit Revocations	15		

The number of copies of interventions or submissions to be provided in response to applications will be specified in the applicable hearing order. Parties who would find the provision of multiple copies an undue financial burden may file one copy, with a request to be excused from multiple filing.

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 444 Seventh Avenue S.W., Calgary, AB T2P 0X8 Telephone (403) 292-4800; Fax (403) 292-5503.

Appendix II

Selected List of Telephone Numbers (Area Code 403)

General Information	292-4800
Incident Reporting Number	1-800-632-1663
	1-800-NEB-1-ONE
Publication Office	Tel: 299-3562
	Fax: 292-5503
	Email: http://www.orders@neb.gc.ca
Web Site	http://www.neb.gc.ca

Board Members

Chairman	Kenneth Vollman	299-2730
Assistant	Carmen Morin	299-2725
Vice Chairman	Vacant	299-2739
Assistant	Lillian Handleman	299-2741
Member	Judith Snider	299-2737
Assistant	Louise Niro	299-2734
Member ^(a)	Diana Valiela	299-2729
Assistant	Geraldine Green	299-2728
Member	Rowland J. Harrison	299-2736
Assistant	Margaret Merta	299-2734
Member	John S. Bulger	299-2705
Assistant	Geraldine Green	299-2728
Member	Jean-Paul Théorêt	299-2724
Assistant	Louise Niro	299-2734
Temporary Member ^(b)	Gaétan Caron	299-2700
Admin. Assistant	Jan Dane	299-2701
Temporary Member ^(c)	C. Mervin Ozirny	299-2740
Assistant	Geraldine Green	299-2728

(a) Valiela resigned in April and left the Board in June.

(b) Temporary Member appointed from 4 September 1997 to 4 September 1999.

(c) Mr. Ozirny's appointment was extended to 30 November 1999.

Executive Office

Chief Operating Officer	Gaétan Caron	299-2700
Admin. Assistant	Jan Dane	299-2701

Professional Leaders

Environmental	Bonnie Gray	299-3675
Engineer	Frank Gareau	299-3178
Economics	Glenn Booth	299-3621

Office of the Secretary

Secretary and Team Leader Regulatory Operations	Michel Mantha	299-2714
Regulatory correspondence Administrator	Chantale Painchaud	299-2731

Legal Services

General Counsel and Director	Judith Hanebury	292-6497
Counsel	Peter Noonan	299-3552
Counsel	Guiseppe Bentivegna	299-3552
Paralegal/Administrator	Susan Gudgeon	299-2704
Counsel	Margery Fowke	299-2708
Counsel	Lori Ann Boychuk	299-2709
Counsel	Peter Enderwick	292-4104
Paralegal	Helen Benes	299-3551
Counsel	Claire McKinnon	299-2707
Counsel	Christine Beauchemin	292-6489
Counsel	Gino Grondin	292-6495
Counsel	Guy Delisle	299-3937
Paralegal	Caroline Healy	292-6540

Information Management Business Unit

Business Unit Leader	Vacant	299-2711
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Technical Project Manager, Electronic Regulatory Filing

Vacant	299-3613
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Communications Officer	Denis Tremblay	299-2717
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Library, Information		299-3561

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Business Unit Leader Brenda Kenny 299-3565

TransCanada PipeLines Limited and Trans Québec & Maritimes Pipeline Inc.

Team Leader Steve Brown 299-3653

Westcoast Energy Inc. and Trans Mountain Pipe Line Company Ltd.

Team Leader Hans Pols 299-3189

Enbridge Pipelines Inc., Trans-Northern Pipelines Inc. and Express Pipeline Ltd.

Team Leader Vacant 299-2783

Interprovincial Pipe Line Inc., Trans-Northern Pipelines Inc. and Express Pipeline Ltd.

Team Leader Vacant 299-2783

Alberta Natural Gas Company Ltd, Foothills Pipe Lines Ltd. and Alliance Pipeline Ltd.

Team Leader Vacant 299-3628

Exports, Cochin Pipe Lines Ltd., Maritimes and Northeast Pipeline Management Ltd. and Natural Gas Liquids Pipelines

Team Leader Gurdeep Gill 299-3659

Commodities Business Unit

Business Unit Leader Terrance Rochefort 299-3646

Commodity Convergence

Team Leader Jawed Aziz 299-3630

Gas

Team Leader Bill Bingham 299-3198

Oil

Team Leader Barry Lynch 299-3197

Electricity

Team Leader Julian Emanuel 299-3186

Resource Assessment

Team Leader Jim Davidson 299-3135

Operations Business Unit

Business Unit Leader John McCarthy 299-2766

Health, Safety and Environment

Team Leader Wayne Marshall 299-3901

Exploration and Development

Team Leader Terry Baker 299-2792

Regulatory Development

Team Leader Bharat Dixit 299-3903

Pipeline Accident Investigation

Team Leader Paul Trudel 299-2768

Construction Compliance

Team Leader Christine van Egmond 299-2783

Corporate Services Business Unit

Business Unit Leader Sylvia Farrant 299-2703
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Human Resources Development

Team Leader Christine Elder 299-3698

Labour Management

Team Leader Earl Schultz 299-3620

Planning and Reporting

Team Leader Peter Schnell 292-6137

Appendix III

Section 58 Applications

The Board has approved or is considering several applications under section 58 of the NEB Act involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. These matters may be considered by the Board without a public hearing.

Gas Pipelines

Applicants	File/Order Nos.	Application	Est. Cost
Amber Energy Inc., now AEC Suffield Pipeline Inc.	File: 3400-A167-1 Decision pending.	Application dated 24 August 1998. Construct a processed natural gas pipeline from the Ekwan gas plant to be located at c-10-E/94-I-9 in B.C. to a meter station on NOVA system at Section 27-110-12-W6M in Alberta. On 9 April, the Board sent a letter to AEC Suffield requesting additional information.	8 940 000
Foothills Pipe Lines Ltd.	File: 3400-F6-24 Order: XG-F6-31-99	Application dated 5 March; approved on 16 April. Mainline block valves - Rate of pressure drop line-break detection. Enclosure fuel gas isolation valves. Valve maintenance platform. Scraper pig barrel installation.	1 602 000
	File: 3400-F6-24 Order: XG-F6-35-99	Application dated 5 March; approved on 4 May. Zone pipeline excavation and recoating,	100 000
	File: 3400-F6-35 Order: XG-F6-37-99	Application dated 28 April; approved on 21 May. Replace a depleted anode groundbed at Compressor Station 367.	77 000
Penn West Petroleum Ltd.	File: 3400-P166-4 Order: AO-1-XO-P166 7-99	Application dated 20 April; approved on 14 May. Amend an existing order by increasing the size of pipeline previously approved and increasing the estimated cost from \$114 000 to \$156 000	Additional cost 42 000
Pioneer Natural Resources Canada Ltd.	File: 3400-P177-1 Order: XG-P177-41-99	Application dated 18 February; approved on 2 June. Construction of a 7.5 km pipelines between wellsite 9-11 97-13-W6M in Alberta to the existing Chenchaga facility in British Columbia and three lateral approximately 0.3 km, 0.55 km and 0.45 km in length. These facilities were previously approved in 1998. Pioneer to delay the project by one year. The previous order has expired.	1 380 000
TransCanada PipeLines Limited	File: 3400-T1-166 Order: XG-T1-29-99	Application dated 15 March; approved on 1 April. Non-piggable bend replacement.	507 000
	File: 3400-T1-164 Order: XG-T1-27-99	Application dated 17 February; approved on 13 April. Replace and retire of mainline valves. Install flange gaskets and isolation joints. Class location pipe replacements and pipe lowering. Line lowering and slab installation. Mainline recoating.	86 097 000
	File: 3400-T1-166 Order: XG-T1-32-99	Application dated 15 March; approved on 26 April. Pig launchers and receivers Non-piggable bend replacements Intall two NPS 12 valves	6127000

Gas Pipelines

Applicants	File/Order Nos.	Application	Est. Cost
Westcoast Energy Inc.	File: 3400-T-167 Order: XG-T1-40-99	Application dated 4 May; approved on 1 June. Corrosion remedial construction program for 1999.	14 900 000
	File: 3400-T1-168 Order: XG-T1-43-99	Application dated 28 May; approved on 25 June. Station yard pipe recoating program for 1999.	2 706 000
	File: 3400-W5-213 Order: XG-W5-30-99	Application dated 8 January; approved on 8 April. Project T0081: Provision for Grizzly Valley Producer Taps. Project U0127: Nicola River revetment. Project U0128: Coldwater revetment. Project U1029: Coquihalla revetment - MP 585.7.	375 000
	File: 3400-W5-216 Order: XG-W5-33-99	Application dated 19 February; approved on 23 April. Construct a shelter for heavy equipment.	40 000
	File: 3400-W5-219 Order: XG-W5-36-99	Application dated 29 March; approved on 7 May. Addition to the main office building at Compressor Station No. 7 near Savona, B.C.	150 000
	File: 3400-W5-220 Order: XG-W5-38-99	Application dated 13 April; approved on 26 May. Project T0055: Reboiler PSV re-route at the Pine River gas plant. Project: U0082: Casing upgrades on the Grizzly Valley sweet gas pipeline.	615 000
	File: 3400-W5-218 Order: XG-W5-39-99	Application dated 24 March; approved on 26 May. Project U0124: Provision for pipe replacement	600000
	File: 3400-W5-221 Order: XG-W5-42-99	Application dated 21 May; approved on 22 June. Project U0145: Add oil vent mist eliminators - southern Transmission operating area Project U0151: Replace Unit 1 Halon 1301 Fire Suppression Systems at Compressor Station 6A, 6B and 8A.	98 000

Oil Pipelines

Applicants	File/Order Nos.	Application	Est. Cost
Enbridge Pipelines Inc.	File: 3400-E101-10 Order: XO-E101-14-99	Application dated 17 March; approved on 1 April. Replace a diesel-powered generator and a battery-powered uninterruptible power supply source.	343 000
	Files: 3400-E101-12 & 13 Order: XO-E101-15-99	Application dated 20 April; approved on 21 May. Project 9769B01: construction of connecting facilities on the Sun Oil take-off at Km 2794.59 Project 19991001D007: Install additional sampling and flushing equipment at the receipt metering facility at the Edmonton Terminal	170 100 12 900
Montreal Pipe Line Limited	File: 3400-M3-15 Order: XO-M3-17-99	Application dated 23 April; approved on 21 May. Replace a pipeline in Township of Sutton, Quebec.	3 000 000
Nova Canada Pipelines Ltd.	File: 3400-N62-6 Order: XO-N62-18-99	Application dated 3 May; approved on 2 June. Field investigation of the Boundary Lake pipeline.	140 000
Trans Mountain Pipe Line Company Ltd.	File: 3400-T4-53-1 Order: AO-1-XO-T4-4 98	Application dated 22 April; approved on 19 May. Amend an existing order. Replacement of existing piping at the Gainford Station.	379 000
Westspur Pipe Line Company Inc.	File: 3400-W2-23 Decision pending.	Application dated 1 October 1998. Construction of Gainsborough Lateral 1.2 km line with associated valve and pump facilities between Manitoba (LSD 13-6-3-29 W1M) and Saskatchewan (LSD 12-1-3-30 W1M).	145 000

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament. Over the course of its history, it has played an important role in the development of Canada's energy sector.

The Board's regulatory powers under the *National Energy Board Act* include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and designated interprovincial and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment, and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by the Ministry of Labour to administer Part II of the *Canada Labour Code*.

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Regulatory Agenda

The period covered in this Regulatory Agenda is 1 July to 30 September 1999

Applications Considered by Public Hearing

Recent Hearing Decisions

1. Alliance Pipeline Ltd. (Alliance) - Detailed Route Hearing - MH-1-99 and MH-2-99 (File: 3200-A159-1-2)

Reasons for Decisions dated 20 and 30 July 1999.

The Board released its decisions on seven detailed route objections heard in Grande Prairie, Alberta regarding the Alliance Pipeline Project. The Board has denied the objections from Bryan Ellingson, Lloyd and Katherine Olley, Dale and Gwen Smith, Brian and Teresa Fast, and Peter and Levke Eggers. The Board was of the view that the route chosen by Alliance was the best possible detailed route for the pipeline. In the cases of Don and Linda Liland, and Franklin and Joan Moller, the Board denied the proposed detailed route of Alliance as currently applied for.

In May 1999, the Board had issued decisions on six oppositions from interested parties in Saskatchewan and Edmonton, Alberta to the detailed route proposed by Alliance.

The Board held public hearings on the above-noted cases in Regina from 12 to 15 April, in Edmonton on 27, 29 and

30 April and in Grande Prairie, Alberta from 31 May to 2 June 1999.

On 3 December 1998, the Board issued a certificate approving the construction and operation of the Canadian portion of the Alliance Pipeline Project. The Board also approved the general route of the pipeline at that time. Alliance subsequently applied to the Board for approval of plans, profiles and books of reference showing the proposed detailed route of the pipeline.

Alliance was given approval to construct and operate a pipeline from northeastern British Columbia and northwestern Alberta and across Saskatchewan to the midwest U.S. The Canadian portion of the system will consist of approximately 2 300 kilometres (1 430 miles) of pipeline other facilities including seven mainline compressor stations. The pipeline is scheduled to be in service in the second half of the year 2000.

2. ProGas Limited - Natural Gas Export - GHW-2-99 (Files 7200-P38-9-1 and 7200-P38-21)

Letter Decision dated 19 August 1999 issued on the same date.

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PREFACE

The purpose of this quarterly agenda is to provide information on the Board's activities.

Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the National Energy Board Act, R.S.C. 1985, c.N-7, as amended.

**"We promote Safety,
Environmental Protection and Economic
Efficiency"**

National Energy
Board



Office national
de l'énergie



NOV 24 1999

National Energy Board

The Board has approved two applications from ProGas Limited (ProGas) for long-term licences to export natural gas. The first application was filed jointly by ProGas and the City of Duluth, Minnesota to export natural gas to supply the City of Duluth for a 10-year period commencing on 1 November 1999. The second application is to amend two existing natural gas export licences underpinning exports to the City of Perham, Minnesota and to ProGas' market in the U.S. Northeast.

Regarding the export (through Emerson, Manitoba) to the City of Duluth, the volumes to be exported are: **Daily** - 171 400 cubic metres (6.1 million cubic feet); **Annually** - 62.6 million cubic metres (2.2 billion cubic feet); and **Term** - 626.0 million cubic metres (22.1 billion cubic feet).

With respect to the export (through Emerson, Manitoba) to the City of Perham, the Board approved amendments to an existing export licence by increasing the volumes currently authorized for the period 1 November 1999 to 31 October 2012 as follows:

	Previously Authorized	Increase to
Daily:	67 000 m ³ (2.4 million ft ³)	74 190 m ³ (2.6 million ft ³)
Annual:	24.4 million m ³ (861.3 million ft ³)	27.0 million m ³ (953.1 million ft ³)
Term:	378.3 million m ³ (13.4 billion ft ³)	412.4 million m ³ (14.6 billion ft ³)

The Board also approved an amendment to the pricing provisions in the Gas Sales Agreement with the City of Perham.

Regarding the proposed export (through Iroquois, Ontario) to supply ProGas' markets in the U.S. Northeast, the Board approved amendments to an existing licence by increasing the volumes currently authorized for the period 1 November 1999 to 31 October 2006 as follows:

	Previously Authorized	Increase to
Daily:	458 000 m ³ (16.2 million ft ³)	825 200 m ³ (29.1 million ft ³)
Annual:	167.2 million m ³ (5.9 billion ft ³)	301.3 million m ³ (10.6 billion ft ³)
Term:	1 672.0 million m ³ (59.0 billion ft ³)	2 610.9 million m ³ (92.2 billion ft ³)

All of the natural gas will be supplied from producers in Alberta, British Columbia and Saskatchewan contracted to ProGas.

The Board conducted a written public hearing to consider the applications.

Hearing Decision Pending

1. **Maritimes and Northeast Pipeline Management Ltd. (M&NP) - Halifax Lateral - GH-2-99 (File 3200-M124-3)**

The Board held a public hearing from 10 to 17 May 1999 in Halifax, Nova Scotia on an application from M&NP to construct and operate a natural gas lateral pipeline to Dartmouth, Nova Scotia. The Halifax Lateral Pipeline Project is designed to take natural gas from a point near Stellarton, Nova Scotia to the Tufts Cove generating station in Dartmouth.

The Project will consist of approximately 124 kilometres (77 miles) of pipeline and associated facilities. The estimated cost of the project is \$77.8 million and the expected in-service date is 1 November 2000.

On 30 June 1999, the Board issued for review and comment by M&NP, parties to Hearing GH-2-99 and relevant federal departments and agencies a draft Comprehensive Study Report (CSR) in accordance with the *Canadian Environmental Assessment Act* (CEA Act). The Board considered the comments received and finalized the CSR and provided it to the Minister of the Environment and the Canadian Environmental Assessment Agency (CEAA). The CEAA then conducted a public comment process pursuant to the CEA Act.

Hearings in Progress

1. **ENCO Gas, Ltd. (ENCO) - Export of Natural Gas - GHW-3-99 (File 7200-E076-2)**

The Board is holding a written public hearing on an application from ENCO to export natural gas, for a period commencing on 1 November 1999 and extending to 31 October 2008, to serve a cogeneration plant in Sumas, Washington.

The natural gas would be exported from Huntingdon, British Columbia. The volumes proposed to be exported are: **Daily** - 100 200 cubic metres (3.6 million cubic feet); **Annual** - 36.6 million cubic metres (1.3 billion cubic feet); **Term** - 329.2 million cubic metres (11.7 billion cubic feet). The natural gas supply would come from ENCO's reserves in British Columbia.

2. **Western & Pacific Pipelines Inc. (W&P) on behalf of Wapella Pipelines Ltd. (Wapella) Operation of a Pipeline - OHW-1-99 (File 3200-P176-1)**

The Board is conducting a written public hearing on an application by W&P, on behalf of Wapella, for the operation of a pipeline between Saskatchewan and Manitoba.

W&P is applying to operate a 70-kilometre (43.5-mile) long crude oil pipeline originating at its Red Jacket terminal near

Moosomin, Saskatchewan and terminating at the Enbridge Pipelines (Virden) Inc. terminal near Cromer, Manitoba.

Hearing Scheduled

1. Maritimes & Northeast Pipeline Management Ltd. (M&NP) - Saint John Lateral - GH-4-99 (File 3200-M124-2)

The Board will hold a public hearing commencing on 12 October 1999 in St. Andrews, New Brunswick on an application by M&NP to construct and operate a natural gas pipeline lateral to the City of Saint John and the Lake Utopia area in New Brunswick. M&NP also applied for approval of related toll and tariff matters.

M&NP applied to construct approximately 102 kilometres (63 miles) of pipeline and associated facilities from its mainline near Big Kedron Lake, New Brunswick to the City of Saint John. M&NP also proposes to construct approximately eight kilometres (five miles) of pipeline and associated facilities from a point on the lateral to the Lake Utopia area. The current volume of natural gas requested for transportation on the lateral is approximately 3.7 million cubic metres (130.6 million cubic feet) per day. The estimated cost of the project is \$93 million and the proposed in-service date is 1 November 2000.

On 2 October 1998, the Board delegated the preparation of the Comprehensive Study Report (CSR), an environmental assessment of the Saint John Lateral, to M&NP pursuant to the *Canadian Environmental Assessment Act*. The CSR has been forwarded to the Canadian Environmental Assessment Agency for review, public consultation and a Ministerial decision. Comments from the public were due on 24 August 1999.

Hearing Adjourned

1. TriState Canada Limited Partnership (TriState) - Pipeline Construction - GH-3-99 (File 3400-T089-1)

On 12 August 1999, TriState requested that the Board suspend its procedural schedule outlined in Hearing Order GH-3-99. On 13 August 1999, the Board adjourned the hearing, scheduled to begin on 8 September 1999, *sine die*.

The TriState Pipeline Project would be a new international pipeline project that would provide natural gas transmission service from a point near Joliet, Illinois to a hub located near Dawn, Ontario. The Canadian portion of the project would consist of approximately 8.3 kilometres (five miles) of pipeline extending from a point at the U.S. - Canada International Border in the St. Clair River near Sarnia, Ontario to a point of connection with the existing Bickford Station of Union Gas Limited (Union) near Sarnia. From that point, TriState's shippers would access Dawn via Union's

system. The proposed facilities would have a design capacity of 12.7 million cubic metres (450 million cubic feet) per day. TriState plans an in-service date of November 2000. The estimated capital cost of the project is \$14 million.

Hearings Postponed

1. Mr. Robert A. Milne, 3336101 Ontario Limited, c.o.b. as Milne Crushing & Screening - MH-1-97

For more information on this matter, refer to item 1 under *Hearing Applications, Hearings Postponed* in issue No. 62 of the *Regulatory Agenda* dated 1 October 1997.

2. Crowsnest Pipeline Project (CNP) - Natural Gas Pipeline

For more information on this matter, refer to item 1 under *Hearing Applications, Hearing Application Suspended* of issue No. 63 of the *Regulatory Agenda* dated 1 January 1998.

Hearing Applications Withdrawn

1. TransCanada PipeLines Limited (TCPL) - Contract Renewal Rights and Expansion Policy Requirements - RH-3-97 (File 4775-T001-1-9)

On 29 July 1999, the Board approved a request from TCPL to withdraw its application concerning contract renewal rights and expansion policy requirements. The Board had previously postponed the hearing at the request of the company. TCPL stated that the concerns the application attempted to address have since become the subject of broader industry discussions and that an industry solution is being sought.

2. TransCanada PipeLines Limited (TCPL) - Detailed Route - Mr. Lauritsen - MH-3-99 (File 3200-T1-16-2)

The Board approved a request from TCPL to withdraw its application for approval of the Plan, Profile and Book of Reference filed with the Board on 18 December 1998 with respect to Line 100-4, MLV 88 to MLV 89. Therefore, the Board has canceled the public hearing which was to commence on 20 October 1999 in Hearst, Ontario to consider an objection by Mr. Lauritsen concerning TCPL's detailed route of its Line 104, MLV88 to MLV89.

Hearing Applications Filed

1. St. Clair Pipelines (1996) Ltd. (St. Clair) - TransCanada PipeLines Limited (TCPL) - Pipeline Projects in Ontario - Collectively Known as the Canadian Millennium Pipeline Project (Files 3200-S119-1 and 3200-T001-15)

On 30 June 1999, the Minister of the Environment informed the Board that she had asked the *Canadian Environmental Assessment Agency* (CEAA) to issue for public comment a

draft agreement regarding the public review of the above noted applications. The Board had previously referred the Project to the Minister for a referral to a review panel regarding the environmental assessment required by the *Canadian Environmental Assessment Act*.

On 9 and 16 December 1998, TCPL and St. Clair, respectively, applied to construct pipelines to transport natural gas to markets in the northeast and mid-Atlantic United States.

St. Clair applied to construct a 74-kilometre (46-mile) pipeline and related facilities extending from a point near Sarnia, Ontario to the shore of Lake Erie near Patrick Point, Ontario, 25 kilometres (15.5 miles) southwest of Port Stanley (the Millennium West Pipeline). There it will interconnect with the Lake Erie Crossing requested by TCPL.

The proposed TCPL Lake Erie Crossing is a 97.4-kilometre (60.5-mile) pipeline, extending from the lakeshore to the Canada/United States border located near the middle of Lake Erie where it will interconnect, beneath the waters of Lake

Erie, with the proposed Millennium Pipeline, creating a new Lake Erie export point. From shore-to-shore the lake crossing is about 145 kilometres (90 miles) long.

The initial capacity of the proposed pipelines is 19.8 billion cubic metres (700 million cubic feet) per day. The proposed Millennium West Pipeline is estimated to cost \$166 million while the total project cost of the proposed Lake Erie Crossing is estimated at \$162 million. The two companies plan an in-service date of 1 November 2000.

On 27 and 28 July 1999, staff of the Board and the CEEA conducted public meetings in Glencoe and Port Stanley, Ontario, respectively. The meetings were held for the benefit of those persons interested in participating in the forthcoming public hearings. Staff explained the public review procedure and hearing process as well as routing and land acquisition matter and the participant funding program of the CEEA.

Conference and Public Proceeding

1. Conference - Natural Gas Liquids (NGL) Access on the Enbridge Pipelines Inc. System (File 4825-E101-1)

The Board will hold a conference, commencing on 28 October 1999 in Calgary, to discuss issues related to the transportation of NGL on the Enbridge Pipelines Inc. (Enbridge) system. The objective of the conference is to provide a forum for the exchange of views on a regulatory mechanism for the examination of tolling and access for NGLs on the Enbridge system.

In March 1999, Enbridge filed an application on *Natural Gas Liquids Toll Methodology and Terms of Access*. The Board had directed Enbridge to file this application following a public hearing, held in November 1996, on an application by PanCanadian Petroleum Limited to the Board for an order to require Enbridge to transport PanCanadian's NGL. In the decision following that public hearing, the Board granted PanCanadian's application and indicated its interest in the broad issue of NGL access to the Enbridge system for all potential shippers.

2. Public Proceeding - Shiha Energy Transmission Ltd. (Shiha) - Pipeline construction - MH-4-99 (File 3400-S056-1)

The Board will hear, commencing on 7 October 1999 in Calgary, submissions on a preliminary question of jurisdic-

tion which it has raised in respect of an application from Shiha to construct a natural gas pipeline from the Northwest Territories to British Columbia.

Shiha has applied to the Board to construct approximately 24 kilometres (15 miles) of pipeline, known as the Liard Pipeline Project, to transport natural gas from a proposed facility near Fort Liard, Northwest Territories to a proposed gas facility near Maxhamish Lake in northeastern British Columbia. Another pipeline segment, approximately 164 kilometres (101 miles) is proposed to be constructed from the Maxhamish facility to a point of interconnection with the existing system of Westcoast Energy Inc., just south of Westcoast's Fort Nelson, B.C. gas processing plant.

The preliminary question of jurisdiction is "Are the proposed Downstream Facilities within federal jurisdiction under section 92(10)(a) of the *Constitution Act*, 1867 because they together with the applied-for Liard Pipeline Project constitute a single federal work or undertaking and properly subject to section 52 of the *National Energy Board Act*? If not, do they come within federal jurisdiction because they are integral to the applied-for Liard Pipeline Project?"

Other Applications

The Board had, or has, before it a number of applications and other matters that do not require public hearings. Since the 1 July 1999 issue of the *Regulatory Agenda*, the matters below have been or are being considered by the Board.

ELECTRICITY MATTERS

Matters Completed

1. Bonneville Power Administration (BPA) - Electricity Export (File 6200-B096-1)

On 23 September 1999, the Board approved an application dated 7 May 1999 from BPA for a five-year authorization to export energy purchased in the wholesale power markets, on an as-needed basis, from British Columbia, Alberta and Saskatchewan. The Alberta purchases would be from the Alberta Power Pool (APP) at a price under the terms of the APP.

2. Canadian Niagara Power Company, Limited (CNP) - Amend Electricity Export Permit EPE-84 (NEB File 6200-C010-5-1)

On 30 September 1999, the Board approved an application dated 30 June 1999 from CNP to increase, from 60 to 300 megawatts, the quantity of power authorized under permit EPE-84. Under the permit, CNP is authorized to export 60 megawatts of power and 656 gigawatt hours of firm energy to Niagara Mohawk for the period 1 January 1996 to 1 April 2009. CNP did not request an increase in the quantity of energy authorized for export.

3. Constellation Power Source, Inc. (CPS) - Electricity Export (File 6200-C049-1)

On 26 August 1999, the Board approved an application dated 25 June 1999 from CPS for a 10-year electricity export authorization for up to 700 megawatts of power and 5 256 gigawatt hours of energy annually on a firm and interruptible basis. The energy to be exported will be transmitted over any international power line for which the Board has issued or will issue a certificate of public convenience and necessity or a permit.

Matters Under Consideration

4. Manitoba Hydro - Electricity Export (File 6200-M020-10)

On 19 July 1999, Manitoba Hydro filed an application seeking authorization to export a maximum of 50 megawatts of participation power from 1 May 2000 to 30 April 2010 at a 47.6 per cent capacity factor per 28 day period.

5. New Brunswick Power Corporation (NB Power) - Electricity Export (File: 6200-N003-9)

On 5 August 1999, NB Power applied for approval to export 224 megawatts of firm power commencing upon approval by the Board and ending 31 October 2020. The maximum energy that can be exported is 167 gigawatt hours in any one month. Until October 2003, the maximum that can be exported is two terawatt hours in any one year. After October 2003, when the export is limited to seven months per year, the maximum that can be exported in one year is 1 150 gigawatt hours. This export would be in accordance with the terms of the firm power and energy contract between NB Power and Northeast Utilities Service Company executed on 31 October 1998.

6. Southern Company Energy Marketing L.P. (Southern) - Electricity Export (File 6200-S171-1)

On 23 July 1999, Southern filed an application seeking authorization to export up to 3 000 megawatts of firm and interruptible power and 5 000 gigawatt hours of firm and interruptible energy annually for a 10-year period.

7. Sumas Energy 2, Inc. (Sumas) - International Power Line (File 2200-S040-1)

On 7 July 1999, Sumas applied for approval to construct and operate a 230 000 volt international power line. The line would extend a distance of approximately 8.5 kilometres (5.3 miles) southward from the Clayburn Substation located in Abbotsford, British Columbia to a point on the international boundary located at Sumas, Washington.

NATURAL GAS MATTERS

Matters Completed

1. Natural Gas Export Licence Applications - Change to the Export Impact Assessment Component of the Market-Based Procedure (File 185-A000-23)

Since July 1987, the Board has been using the Market-Based Procedure to discharge its responsibilities under section 118 of the NEB Act with respect to the licensing of natural gas exports.

The Market-Based Procedure contains an Export Impact Assessment component, the purpose of which is to assist the Board in its determination of whether a proposed export is likely to cause Canadians difficulty in meeting their energy requirements at fair market prices.

While the Board's previous *Canadian Energy Supply and Demand 1993-2010 - Technical Report* released in 1994 contained an Export Impact Assessment, which parties could

choose to adopt, the Board's new *Canadian Energy Supply and Demand to 2025* does not. However, it is anticipated that potential applicants and interested parties in gas export licensing matters may use the data and analysis contained in this new report or use any other appropriate sources that are available to them to develop their own Export Impact Assessment to be filed for Board consideration.

2. Encogen Four Partners, L.P. (Encogen) - Revoke Natural Gas Export Licence GL-152 (File 7200-E067-1-2)

On 3 August 1999, the Board approved an application dated 21 July 1999 from Encogen to revoke natural gas export Licence GL-152. Under the Licence, Encogen was authorized to export natural gas to a proposed cogeneration plant in Buffalo, New York.

3. Summit Resources Limited (Summit) - Revoke Natural Gas Export Licence GL-209 (File 7200-S123-1-2)

On 13 July 1999, the Board approved an application dated 5 July 1999 from Summit to revoke natural gas export Licence GL-209. Under the Licence, Summit was authorized to export natural gas to San Diego Gas & Electric Company for system supply.

Matter Under Consideration

4. Engage Energy Canada, L.P. (Engage) - Transfer of Several Gas Export Licences

On 7 May 1997, Engage applied for approval to transfer Licences GL-187, GL-221, GL-222, GL-223, GL-224, GL-225, GL-226 and GL-227 from Westcoast Gas Services Inc. to Engage Energy Canada, L.P.

On 4 March 1998, Engage requested to extend the time necessary to complete certain third party Consents to Assignment supporting the application. On 11 March 1998, the Board confirmed that it will hold Engage's application in abeyance.

PIPELINE MATTERS

Matters Completed

1. Single-Window Reporting of Pipeline Incidents (File 190-A000-11)

On 25 August 1999, the Board advised all companies under its jurisdiction that, in response to an industry suggestion, the Board and the Transportation Safety Board of Canada (TSB) have agreed to introduce single-window reporting of pipeline incidents/occurrences. Arrangements have been made for the TSB to receive these reports on behalf of both agencies. This will reduce the number of agencies that com-

panies have to contact and the duplication of information sent to the Board and TSB following an incident/occurrence.

Effective 1 September 1999, all incidents and occurrences as defined under the Board's *Onshore Pipeline Regulations, 1999* (OPR-99) and the *Canada Labor Code, Part II* should be reported to the TSB Occurrence Hot Line at (819) 997-7887 (collect calls accepted). Preliminary and detailed incident reports should also be directed to the TSB at the address indicated below. The TSB will forward all applicable reports to the Board.

Transportation Safety Board of Canada
Place du centre, 4th Floor
200 Promenade du Portage
Hull, Quebec K1A 1K8
Phone: (819) 997-7887
Facsimile: (819) 953-7876
E-mail: Roger.Hornsey@tsb.gc.ca or Larry.Gales@tsb.gc.ca

Companies were advised that the single window initiative does not detract from the substantive reporting obligations set out in section 52 of the OPR-99. The information required by the Board under section 52 of the OPR 1999 must now be sent to the TSB in accordance with the time frames established by the Board under the OPR-99 and the OPR-99 Guidance Notes.

2. Upstream Jurisdictional Issues

On 17 September 1999, the Board advised companies under its jurisdiction that recent jurisprudence affecting the jurisdiction of the Board over upstream production facilities has now clarified the circumstances under which such facilities need not form part of an application to the Board. The purpose of the letter was to draw attention to these developments and to assist in developing a common understanding of the Board's jurisdiction. The letter is available on the Board's Internet Site at <http://www.neb.gc.ca> under the heading What's New!

3. Government for the Northwest Territories (GNWT) - Complaint - TransCanada PipeLines Limited (TCPL) and Nova Gas Transmission Ltd. (Nova) (File 4000-G046-1)

On 28 July 1999, GNWT and TCPL informed the Board that they had reached an agreement on this matter. On 29 July 1999, GNWT withdrew its complaint.

On 7 May 1999, the GNWT filed a complaint seeking relief in connection with a certain Alberta pipeline system owned by TCPL. The GNWT was asking, *inter alia*, that the Board require that the Alberta pipeline system be declared a federal pipeline within the meaning of the *National Energy Board Act*. The Alberta pipeline system was formerly owned and operated by Nova. Since the merger of TCPL and Nova, TCPL now owns the Alberta Pipeline System.

The GNWT wished to ensure that appropriate institutional arrangements are in place for the transportation of natural gas to permit the development of reserves in the Northwest Territories on a basis no less favourable than the arrangements which applied to the development of natural gas reserves elsewhere in Canada.

4. Safety Audit Reports

The Board has adopted the Safety Management Audit Report to Verify Compliance with Respect to the *Onshore Pipeline Regulations*, 1999 for the following companies:

SaskEnergy Inc. on behalf of Portal Municipal Gas Company Canada Inc.	3 September 1999
Petro-Canada (Goodlow Pipeline)	3 September 1999
Revenue Canada	7 September 1999

5. Talisman Energy Inc. (Talisman) and Gibson Petroleum Company Limited - Transfer of Ownership of Pipelines (Files 3400-G047-1, 3400-T077-2 and 3400-B009-1)

On 8 September 1999, the Board approved a joint application dated 30 June 1999 from Talisman and Gibson for:

- the transfer and operation of a three-kilometre (1.8-mile) long natural gas gathering pipeline from a gas well in northeastern British Columbia located in 13-6-81-13-W6M to a pipeline connection in northwestern Alberta located in 10-8-81-16 W6M from Talisman to Gibson; and
- the transfer of the working interest in a two-kilometre (1.2-mile) long natural gas flow line from a well located in northeastern British Columbia in 10-18-81-13 W6M to a gas gathering header located in northeastern Alberta in 10-8-81-13 W6M as well as the operation of same from Talisman to Gibson.

6. Westcoast Energy Inc. (WEI) - Pipeline Purchase (File 3400-W5-224)

On 3 August 1999, the Board approved an application by WEI to purchase from ENCO Gas Ltd. the 13-kilometre (eight-mile) long South Shekilie Pipeline situated in northwestern Alberta. The purchase of the pipeline will permit WEI to extend its gathering facilities into the Shekilie supply basin with northwestern Alberta and help increase the utilization of the Company's existing gathering and processing facilities in the Fort Nelson resource area. The estimated cost of the pipeline is \$136,000.

7. Section 58 Applications

The Board has approved or is considering several applications under section 58 of the NEB Act involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. These matters may be

considered by the Board without a public hearing. See Appendix III for a description of the applications approved or under consideration.

Matters Under Consideration

8. AEC Suffield Gas Pipeline Inc. (AEC Suffield) - Amber Energy Inc. (Amber) - Pipeline Construction - Ekwan Pipeline Project (File 3400-A167-1)

On 24 August 1998, Amber applied for approval to construct a 36-kilometre (22-mile) long natural gas pipeline from Amber's Ekwan Gas Plant to be located at c-10-E/95-I-9 in British Columbia to a meter station on the Nova Gas Transmission Ltd. system at Section 27-110-12-W6M in Alberta. The estimated cost of the pipeline is \$8.94 million.

On 23 October 1998, the Board sent a letter to Amber requesting additional information. On 29 October 1998, the Board invited Amber to either revise its application to include certain upstream facilities or to comment on the completeness of the application.

Effective 1 December 1998, all of the issued and outstanding shares of Amber were purchased by Alberta Energy Ltd. The pipeline facilities forming part of the Ekwan Pipeline Project will be held by AEC Suffield Gas Pipeline Inc. (AEC Suffield), a wholly owned subsidiary of Alberta Energy Ltd.

On 2 and 24 February 1999, AEC Suffield responded to the Board's requests for information of 23 and 29 October 1998. In its response of 24 February, the Company indicated that it chose not to amend its application to include upstream facilities contending that the application before the Board, as supplemented by the responses to the Board's information request, was complete.

On 9 April 1999, the Board advised AEC Suffield that it noted the purchase of Amber's assets by AEC Suffield and that the Board had amended its records to reflect AEC Suffield as the applicant for this project. The Board also, on the same date, determined that it was not necessary for AEC Suffield to include any facilities upstream of the applied-for pipeline in its applications. The Board, however, advised the Company that the Board had an obligation under section 15 of the *Canadian Environmental Assessment Act*, to determine the scope of the assessment in respect of the project. In that respect, the Board requested additional information from AEC Suffield.

On 30 June 1999, the Board sent another letter to AEC Suffield requesting additional information.

9. Duke Energy Midstream Services Ltd. (Duke Energy) - Pipeline Construction (File 3400-D066-1)

On 13 July 1999, Duke Energy applied for approval to construct a 21-kilometre (13-mile) long sour gas pipeline from the existing Talisman Energy Inc. dehydrator facility in the

West Doe area of British Columbia, 25 kilometres (15.5 miles) north of Dawson Creek, to the existing Duke Energy Pouce Coupé gas plant facility in Alberta, eight kilometres (five miles) northwest of Bonanza, Alberta. The estimated cost of the pipeline is \$2.6 million.

TRAFFIC, TOLLS AND TARIFF MATTERS

Matters Completed

1. *Maritimes & Northeast Pipeline Limited Partnership (M&NP) - Tariff (File 4775-M124-1-1)*

On 16 September 1999, the Board approved an application dated 2 July 1999 from M&NP for approval of a tariff for the transportation of natural gas. The Board sought comments from interested parties on the application. A copy of M&NP's tariff filing can be found on the Board's web site at <http://www.neb.gc.ca> under the heading "What's New".

2. *TransCanada PipeLines Limited (TCPL) - Bidding Procedure for Allocating Spare Capacity (File: 4575-T1-1-1/99)*

The Board has approved, effective 23 August 1999, a change to the procedure for allocating existing spare capacity for TCPL.

The Board made the approval after agreement was reached between TCPL and its Tolls Task Force. The change in queuing procedure will help address concerns surrounding the recent non-renewal of a significant amount of the company's existing contracted capacity.

TCPL is proposing to hold a number of open seasons to allow customers to bid for existing spare capacity. Customers that are currently in TCPL's queue for existing capacity will not be prejudiced by this revised process as the Company will, in the first open season, assign the highest priority to bids from parties in the existing queue.

The new process will remain in effect until the earlier of 1 November 2000 or the date that longer-term system access issues are approved by the Board.

3. *TransCanada PipeLines Limited (TCPL) and Nova Gas Transmission Ltd. (NGTL) - Merger Costs and Benefits Agreement (MCB Agreement) (File 4775-T1-1/99-1)*

On 23 September 1999, the Board approved an application dated 23 July 1999 from TCPL for approval of the MCB Agreement. The purpose of the MCB agreement is to (i) provide TCPL with an incentive to maximize the sustainable benefits achievable as a result of the merger of TCPL and NGTL in July 1998 and, (ii) provide an equitable allocation of the costs and benefits associated with the merger among the various businesses and pipelines owned by TCPL and

between the pipelines owned by TCPL and their respective shippers.

The MCB Agreement was approved by TCPL's Tolls Task Force, NGTL's Tolls, Tariff and Procedures Committee and a number of TCPL's British Columbia shippers. The Board sought comments from interested parties on the application.

4. *TransCanada PipeLines Limited (TCPL) - First Report of the 1999 Tolls Task Force (4775-T1-1-1/99)*

TCPL applied for approval of several resolutions as contained in the above-noted report. The Board approved the following:

Resolution No.	Date Approved	Subject
01.99	28 Jan. 1999	Receipt and Delivery Point Update
02.99	28 Jan. 1999	NEB Refund Disposition
03.99	28 Jan. 1999	Kamine Capacity
04.99	28 Jan. 1999	Performance of the Compulsory Compliance Audit
05.99	15 Feb. 1999	1999 Tolls Filing Delay
07.99	19 Mar. 1999	Interruptible Backhaul Transportation - Blanket Contract
08.99	30 April 1999	Parking and Loan Permanent Service
09.99	30 April 1999	Equity Financing of Mainline Assets
10.99	11 May 1999	Enhanced Pipeline Maintenance Program - 1999
11.99	16 June 1999	Portland Related Facilities
12.99	16 June 1999	Capacity Allocation
13.99	16 June 1999	Trans Quebec & Martimes Pipeline Inc. - 1999 Transmission by others expenses
14.99	25 June 1999	Incentive Audit Report
16.99	23 Aug. 1999	System Access and Queuing Procedure

5. *Trans Quebec & Martimes Pipeline Inc. (TQM) - Interim Tolls (File 4400-T028-2)*

On 30 July 1999, the Board approved an application from TQM for interim tolls effective 1 August 1999.

On 22 January 1999, the Board had approved interim tolls for TQM effective 1 January 1999 at the level of the final tolls applicable for the 1998 year. On 28 July 1999, TQM advised the Board that the delay in filing an application for final 1999 tolls was due to legal matters that have arisen which may affect the cost of the facilities built in 1998 (extension to the Portland Natural Gas Transmission System) which were put in service at the beginning of 1999.

6. *Trans Quebec & Maritimes Pipeline Inc. (TQM) - Audit Report (File 4710-T28)*

On 17 September 1999, the Board approved the staff's Audit Report for TQM for the years ending 31 December 1997 and 1998.

Matters Under Consideration

7. *Enbridge Pipelines Inc. (Enbridge) - Tariffs for the Transportation of Offshore Crude Petroleum (File 4400-E101-1)*

On 13 September 1999, the Board approved, on an interim basis, an application from Enbridge for approval of Tariff NEB No. 218 *Rules and Regulations Governing the Transportation of Offshore Crude Petroleum* and Tariff NEB No. 219 *Tolls Applying on Crude Petroleum Transported in Line 9 Operating in an East to West Direction*. The two tariffs govern the east to west transportation of offshore crude petroleum on Line 9 between Montreal, Quebec and Sarnia, Ontario.

The Board also decided to seek the comments of interested parties on the application.

8. *Fletcher Challenge Energy Canada Inc. (Fletcher) - Access to the Renaissance Energy Ltd. (Renaissance) Pipeline (File 3400-F42-4)*

On 26 July 1999, Fletcher applied for an order authorizing access to a gas pipeline owned by Renaissance.

Fletcher claims that its gas well is shut-in because Renaissance has refused access to its pipeline. Both Renaissance and Fletcher are producing gas from the same pool. Their wells are located on adjacent sections.

Renaissance owns a 9.4-kilometre (5.8-mile) long gas pipeline. The pipeline is a sausage-link connecting a pipeline supplying fuel gas to two oil batteries in Saskatchewan and an oil battery in Alberta.

9. *ISH Energy Ltd. (ISH) - Enbridge Pipelines (NW) Inc. (Enbridge (NW)) - Tolls - Complaint (File 4400-E102-2)*

On 12 March 1999, ISH requested that the Board review the annual final adjustment procedure for the allocation of the full cost of service in the determination of final tolls of Enbridge (NW) for the years 1996 to present.

On 12 April 1999, the Board advised ISH that while it was prepared to examine the Company's request on a prospective basis, it could not do so on a retroactive basis because the *National Energy Board Act* does not allow retroactive rate making. Accordingly, the Board denied ISH's request for a review of Enbridge (NW)'s tolls for the years 1996 to 1998 and for the months of January to April 1999. For the period starting 1 May 1999, the Board decided to seek comments from interested parties regarding ISH's request. The Board had also decided to make Enbridge (NW)'s tolls interim effective 1 May 1999.

In a letter dated 19 April 1999, Enbridge (NW) explained to the Board that, after receiving a request by Imperial Oil, it had undertaken to draft amendments to the Norman Wells Pipeline Agreement to facilitate a change in methodology along the lines suggested in ISH's letter of complaint. Enbridge (NW) stated that, upon completion of the amendment, it intended to solicit views of its shippers and interested persons, and thereafter make application to the Board to amend the methodology if appropriate.

On 7 May 1999, the Board decided to allow Enbridge (NW) to proceed as described above.

On 28 July 1999, the Board approved a second request from Enbridge (NW) to extend, from 30 July to 17 September 1999, the deadline for filing amendments to the methodology used to calculate final tolls.

10. *Maritimes & Northeast Pipeline Limited Partnership (M&NP) - Interim Tolls (File 4775-M124-1-2)*

On 9 September 1999, M&NP applied for approval of interim tolls, effective 1 November 1999, that it may charge for the transportation of natural gas on its pipeline system. M&NP plans to file an application for final tolls by the summer of 2000.

On 23 September 1999, the Board sought the comment of interested on the application.

11. *TransCanada PipeLines Limited (TCPL) - 1999 Tolls (File 4200-T1-13)*

On 28 May 1999, TCPL filed an application for approval of its 1999 tolls. TCPL also requested that the tolls in the application be made interim effective 1 June 1999. On 31 May 1999, the Board approved the application for interim tolls.

The Board sought comments of interested parties on the application. The Board considered the comments received and on 5 July 1999 it decided that the granting of additional time for parties to try and resolve the issues presented is the most appropriate course of action. Accordingly, the Board deferred the setting down of a proceeding to consider the application until it has received further notice from TCPL.

FRONTIER MATTERS

1. *Ranger Oil Limited (Ranger) - Declaration of Significant Discovery - MH-5-99 (File 9170-R706-1)*

The Board will hold an in-camera oral hearing commencing on 15 February 2000 in Calgary with Ranger, Canadian Forest Oil Limited (CFO) and Chevron Canada Resources Limited (Chevron) regarding the Board's decision with respect to the issuance of a Declaration of Significant Discovery for the Ranger Unocal Fort Liard P-66A well.

On 17 December 1998, the Board received requests from Ranger, CFO and Chevron for a hearing in respect of a *Notice of Intention by the National Energy Board to Make a Decision* concerning an application by Ranger, under the *Canada Petroleum Resources Act*, that the Board issue a Declaration of Significant Discovery in respect of Discovery Well Ranger Unocal Fort Liard P-66A and Exploration Licences EL 36, EL 363 and EL 364 near Ft. Liard. The NEB Act requires the Board to convene a hearing to hear the representations of those directly affected persons who requests a hearing.

On 6 October 1999, Board Staff, under the direction of the Board, held a pre-hearing conference to address the following:

1. the exchange of relevant information and measures to protect the confidentiality of information;
2. the procedures to be followed at the hearing; and
3. the timing for the hearing.

2. *Frontier activities for the third quarter of 1999*

- (a) Approval was given to Imperial Oil Resources Ltd. for the following activities at Norman Wells:

- i) "Authority to Drill a Well" pursuant to section 83 of the *Canada Oil and Gas Drilling Regulations* (COGDR) to drill the following wells on July 2, 1999:

Imp Norman Wells E-39X; and

Imp Norman Wells G-35X.

- ii) Subsurface safety valves pursuant to subsection 19(3) of the *Canada Oil and Gas Production and Conservation Regulations* (COGPCR) for the following wells on July 30, 1999:

Imp Norman Wells P-12X;

Imp Norman Wells P-22X;

Imp Norman Wells S-26X;

Imp Norman Wells D-34X; and

Imp Norman Wells E-32X.

- iii) Common flowline testing pursuant to subsection 43(2) of the COGPCR on September 21, 1999.

- (b) Approval was given to the Inuvialuit Petroleum Corporation for the "Well Termination Record" pursuant to section 184 of the COGDR for the following wells on July 19, 1999:

IPC Ikhil K-35; and

IPC Ikhil J-35.

- (c) Approval was given to Chevron Canada Resources for the following:

- i) "Authority to Drill a Well" pursuant to section 83 of the COGDR to drill the following wells:

Chevron et al McKay Lakes O-80 on August 4, 1999; and

Chevron et al Liard M-25 on September 22, 1999.

- ii) Surface casing setting depth for the well Chevron et al Liard M-25 pursuant to subsection 70(1)(b) of the COGDR on August 4, 1999.

- (d) Application for approval of a "Development Plan" was submitted by Paramount Resources pursuant to subsection 5.1(4) of the *Canada Oil and Gas Operations Act* (COGOA) on July 30, 1999.

- (e) Application for approval of a "Commercial Discovery Declaration" was submitted by Paramount Resources pursuant to Part II.1 subsection 28.2 of the *National Energy Board Act* and Part IV section 35 of the *Canada Petroleum Resources Act* on July 30, 1999.

- (f) Approval was given to Canadian Forest Oil for the intermediate hole depth for the well CDN Forest et al Flett N-61 pursuant to subsection 70(1)(c) of the COGDR on August 5, 1999.

- (g) Four new applications for geological, geophysical or geotechnical operation authorization were received. Two applications have been approved pursuant to section 5 of the COGOA as follows, and one is being resubmitted:

Company	Area	Date
IEXCO	Liard	27 July 1999
AEC West	Fort Norman	26 July 1999
Anderson Exploration	Liard	2 Sept. 1999
Geoterrex	Liard	24 Sept. 1999

Appeals and Review

Appeals Pending

1. Alberta Department of Energy (ADOE) - Northstar Energy Corporation (NEC) - GH-1-98

On 25 May 1998, the ADOE applied to the Federal Court of Appeal for leave to appeal a ruling of the Board dated 24 April 1998 in which it dismissed a motion by the ADOE challenging the Board's jurisdiction to hear an application by NEC to construct a pipeline on the grounds that the NEC application involved a local work and undertaking, rather than an extraprovincial work and undertaking.

The ADOE also applied to the Board for a Stay of Execution of the Board's Decision GH-1-98. On 4 June 1998, the Board denied the application for a Stay of Execution. Subsequent to the Board's dismissal of the stay application, ADOE, on 24 June 1998, filed with the Federal Court of Appeal an application for leave to appeal the Board's decision dated 24 April 1998.

The Federal Court granted the leave to appeal and stayed the Board's GH-1-98 Decision. An appeal has been filed and is pending before the Court. It is now proposed that the appeal will be discontinued and the Board anticipates that a Notice of Discontinuance will be filed by the Appellant.

2. The Industrial Cape Breton Community Alliance Group (the Alliance) on the Sable Gas Project

On 25 November 1997, the Alliance filed an Originating Notice of Motion with the Federal Court of Canada, Trial Division for the purpose of having the Joint Public Review Panel Report dated 27 October 1997, and the Report of the Commissioner for the Canada-Nova Scotia Offshore Petroleum Board dated 27 October 1997, reviewed, set aside and referred back to the Joint Panel and the Commissioner and that they direct Sable Offshore Energy Project to file a socio-economic impact study incorporating an economic cost-benefit analysis and the environmental effects of the project on Cape Breton. On the same date, the Alliance filed a similar Originating Notice of Motion with the Federal Court of Appeal. Proceedings have been consolidated in the Federal Court, Trial Division. This judicial review application was heard in May in Halifax. Judgement has been reserved by the Court.

3. Union of Nova Scotia Indians et al - Maritimes & Northeast Pipeline Management Ltd. (M&NP)

The Union of Nova Scotia Indians et al applied to the Federal Court of Appeal for a judicial review or for leave to appeal a decision by the Board that M&NP had complied with condition 22 of Certificate GC-95. This application was commenced on 12 November 1998. A number of interlocutory applications were filed.

The Court heard the motions and directed that the case proceed as a judicial review application. The applicants record and the respondents records have been filed. This appeal will be heard in Ottawa on 19 October 1999.

In April, M&NP applied for leave to appeal to the Supreme Court of Canada of the above-noted ruling. No decision on that leave to appeal has been issued.

4. Rocky Mountain Ecosystem Coalition (RMEC) v. the National Energy Board (NEB) and the Attorney General of Canada Representing the Minister of Agriculture, the Minister of Fisheries and Oceans, the Minister of Natural Resources and the Minister of the Environment, Alliance Pipeline Ltd.

On 11 January 1999, RMEC filed with the Federal Court Trial Division two applications for judicial review. The two applications were filed with respect to the regulatory proceedings regarding the Alliance Pipeline Project which consisted of both a comprehensive study report under the *Canadian Environmental Assessment Act* (CEAA) and a regulatory proceeding under the NEB Act. The first application seeks a mandamus against the Prairie Farm Rehabilitation Administration and the Department of Fisheries and Ocean as it alleges they failed to conduct an environmental assessment as is required under the CEAA. The second application seeks to quash the decision of the NEB on the grounds of natural justice.

On 5 July 1999, the Federal Court Trial Division heard a motion by the Attorney General of Canada seeking to have the two applications dismissed. A Court Prothonotary dismissed one application and directed that a transfer motion be brought in respect of the other application. A transfer motion has been filed and is anticipated to be heard in October or November, 1999.

5. British Columbia Wildlife Federation and the Steelhead Society of British Columbia (BC Wildlife et al) v. British Columbia Hydro and Power Authority (BC Hydro)

The BC Wildlife et al filed an application with the Federal Court of Appeal for leave to appeal a decision of the Board dated 6 January 1999 in which it issued an export permit to BC Hydro to allow it to undertake certain export arrangements. Leave to Appeal was granted by the Court and a Notice of Appeal was served on the Board on 19 May 1999. No date for hearing has been established.

6. Athabasca Chipewyan First Nation v. British Columbia Hydro and Power Authority

The Athabasca Chipewyan First Nation filed an application with the Federal Court of Appeal for leave to appeal a

decision of the Board dated 6 January 1999 in which it issued an export permit to BC Hydro to allow it to undertake certain export arrangements. Leave to Appeal was granted by the Court and a Notice of Appeal was served on the Board on 1 June 1999. No date for hearing has been established.

Review

1. Alliance Pipeline Ltd. - Mr. Joe and Ms Lil Bokenfohr - Right of Entry Orders (Filed 3200-A159-1-16 and 3200-A159-1-17)

On 17 September 1999, the Board denied requests for review filed by counsel for Mr. Joe and Ms. Lil Brokenfohr of the Board's decision of 16 July 1999 regarding certain right of entry (ROE) orders with respect to the Alliance Pipeline Project.

On 30 June 1999, the Board issued ROE orders for the properties of Joe Bokenfohr and Joe and Lil Bokenfohr, two different but adjacent tracts. The Board, in reaching its decision to issue ROE orders, inadvertently overlooked a letter from Mr. Bokenfohr. As a result, on 6 July 1999, the Board decided to conduct a review of its original decision and wrote to Alliance asking for its submissions in relation to the letter of Mr. Bokenfohr and as well its affidavits of service in relation to the lands in question for its sections 87 and 34 notices. Mr. Bokenfohr was then given until 8 July 1999 to file a response.

The Board considered the applications of Alliance for the ROE orders and the submissions of Mr. Bokenfohr. On 16 July 1999, the Board determined it was proper and in the public interest to grant the ROE orders in relation to the properties in question. It affirmed the original orders and lifted the stay of those orders imposed on 6 July 1999.

By letter dated 3 August 1999, counsel for the Bokenfohrs requested that the Board "review and amend the Bokenfohr right of entry orders to reflect a schedule such as that which Alliance has agreed to in its other applications where I have filed objections." In a letter dated 23 August 1999, counsel for the Bokenfohrs wrote to the Board respecting the problems arising from the construction of the right of way on Mr. Bokenfohr's land and declared that "One thing the Board ought to do immediately in Mr. Bokenfohr's case is amend the right of entry order to get rid of the two year 'temporary' classification of working area where much of the damage has been done. Alliance should be responsible for this area indefinitely."

On 26 August 1999, the Board decided to seek comments from the parties on whether counsel for the Bokenfohrs application for review of 3 August 1999 and the reference to an amendment to the ROE orders in the 23 August 1999 letter raised a doubt as to the correctness of the Board's 16 July 1999 decision. In September the Board dismissed the review application but directed that an erratum issue in respect of the original order.

Amendments to Guidelines and Regulations

Amendments to the Board's guidelines and regulations completed or in various stages of preparation, include the following:

1. National Energy Board Act Part VI (Oil and Gas) Regulations

These Regulations were amended to remove inconsistency in the previous Regulations with respect to the new market-based approach to regulating the long-term exportation of crude oil. The amended Regulations came into force on 30 April 1999.

2. National Energy Board Electricity Regulations

The amendments to these Regulations correct non-substantive problems identified by the Standing Joint Committee for the Scrutiny of Regulations. The amended Regulations came into force on 28 July 1999.

3. National Energy Board Export and Import Reporting Regulations

The amendments to these Regulations correct non-substantive problems identified by the Board. The amended Regulations came into force on 10 June 1999.

4. Onshore Pipeline Regulations, 1999 (OPR-99) (File 185-A000-8)

The revised OPR-99 came into force on 1 August 1999. On 7 September 1999, the Board issued the *Guidance Notes for the Onshore Pipeline Regulations, 1999* to provide clarity, practical advice, and suggestions to facilitate compliance with the Regulations.

The OPR-99 specify the requirements for: the design, construction, operation and abandonment of a pipeline; the protection of property and the environment; and ensures the safety of the public and of the company's employees in the construction, operation and abandonment of a pipeline.

5. Canada Oil and Gas Diving Regulations (Diving Regulations) and Guidance Notes

On 24 June 1999, the Board issued draft Diving Regulations and the accompanying Guidance Notes for public comment.

The Board is proposing new goal-oriented Diving Regulations to replace the existing Regulations which are technically dated and prescriptive. Instead of specifying various aspects of the diving operations, these new Regulations put

the responsibility on the Operators to develop and demonstrate how their dive plan specifications and procedures meet the objectives of the Regulations. The use of widely accepted standards and procedures, such as those published by the Canadian Standards Association, is encouraged to meet the objectives of the Regulations. The accompanying Guidance Notes provide clarity, practical advice, and suggestions to facilitate compliance with the Regulations.

The Board believes that this approach promotes increased industry responsibility and allows for flexibility, efficiency, and the opportunity to adopt improved operational and safety techniques in a more timely manner.

6. Processing Plant Regulations (PPR)

On 19 May 1999, the Board issued draft PPR for public comments. The PPR, when promulgated, will govern the design, construction, operation, and abandonment of processing plants which are owned and operated by federally regulated companies and whose function is integral with respect to transportation. Such facilities are presently regulated under the *Onshore Pipeline Regulations, 1999*. Comments arising from the public consultation have been reviewed and incorporated as appropriate. Draft Guidance Notes are under development and will be available for public consultation in fall 1999.

7. Cost Recovery Regulations (CRR)

On 5 May 1999, the Board issued for comments by interested parties proposed changes to the CRR. Under the CRR, the Board recovers the majority of its operating costs from the regulated industry. The CRR have been in force since 1991. The Auditor General, in its report to Parliament dated September 1998, recommended that the Board undertake a review of the CRR.

In recent months talks have taken place between the Board and the regulated industry through the Cost Recovery Liaison Committee. The consensus of the committee is that the industry is essentially satisfied with the current regulations and would prefer to make only moderate changes to address specific concerns.

8. Canada Oil and Gas Drilling, Production, and Conservation Regulations

The *Canada Oil and Gas Drilling Regulations and the Canada Oil and Gas Production and Conservation Regulations* are being updated and re-structured into one Regulation covering drilling, production, and conservation.

Other Matter

Energy Market Assessment - Short-term Natural Gas Deliverability from the Western Canada Sedimentary Basin - 1998 - 2001

On 30 September 1999, the Board released a new Energy Market Assessment titled *Short-Term Natural Gas Deliverability from the Western Canada Sedimentary Basin, 1998-2001*. This Energy Market Assessment report examines the factors which affect gas supply in the short term and presents an outlook for deliverability to the year 2001.

By 2001, pipeline capacity is expected to reach an average of 530 million cubic metres (18.8 billion cubic feet) per day.

Within this period, demand is estimated to increase from 430 million cubic metres (15.3 billion cubic feet) per day in 1998 to about 485 million cubic metres (17.1 billion cubic feet) per day by 2001.

The Board report acknowledges that natural gas producers will be challenged to meet future demand, but it concludes that an extraordinary drilling effort will not likely be necessary; rather, a gradually increasing drilling effort from current levels of about five thousand such gas wells per year will result in sufficient deliverability to meet expected average demand to 2001.

Administrative Matters

Appointments - Board Members

On 29 July 1999, the Minister of Natural Resources Canada appointed **Judith A. Snider** as Vice-Chair of the Board. At the same time, **Carmen L. Dybwad**, **Deborah W. Emes** and **Elizabeth Quarshie** were appointed as new Board Members.

Ms. Snider has been working with the NEB since 1992. Appointed as a full-time member in 1996, Ms. Snider began

working with the Board as General Counsel and Director of the Law Branch. Prior to joining the Board, Ms. Snider gained extensive experience in energy and regulatory matters practicing law in the private sector. Her practice focused on oil and gas and administrative law. Ms. Snider obtained her Law degree from the University of Calgary and holds a Bachelor of Science degree from Carleton University.

Ms. Dybwad is an Assistant Professor with the Faculty of Administration at the University of Regina and a Doctoral candidate at the University of Waterloo. She has experience at the senior management level in the public sector as well as in the energy sector gained through eight years of employment with the Saskatchewan Power Corporation. This background has provided her with a broad perspective on the environmental review process and the role of public participation in natural resource planning and decision-making. Her educational background includes a Bachelor and a Master of Arts degrees in Economics from the University of Regina. Ms. Dybwad will start her term on 20 December 1999.

Ms. Emes was previously employed as Manager of Strategic Services for the British Columbia Utilities Commission and she has also held positions with the Alberta and federal governments as well as with private industry. Ms. Emes received a Master of Arts degree in Economics from the University of Calgary, in addition to her Bachelor of Arts degree in Economics from the University of Saskatchewan. She holds a Chartered Financial Analyst designation.

Ms. Quarshie was previously employed as Director of Compliance, Audit and Evaluation for Cogema Resources Inc. where she has worked since 1991. Prior to that, she worked for a number of mining, oil sands and research companies which have provided the experiences required for her to become a highly qualified environmental scientist. Ms. Quarshie, a Certified Professional Environmental Auditor, holds a Master of Science in Environmental Engineering from Washington State University and a Bachelor of Science in Biology from Notre Dame University.

Y2K Preparedness - Updates

Starting in early 1998, the Board undertook an initiative to identify and understand the Year 2000 computer phenomenon as it pertained to the Board's internal systems as well as its external stakeholders. The Board provides updates to its activities regarding Y2K on the NEB Internet Site at <http://www.neb.gc.ca> under What's New!

Speech

Regulating Hub-to-Hub Pipelines, a presentation by Dr. John S. Bulger, Board Member, to the Industrial Gas Users Association's Annual Meeting on 28 September 1999 in Montreal, Quebec.

Documents Issued - 1 July to 30 Sept. 1999

Reasons for Decision

Alliance Pipeline Ltd. (Alliance) - Detailed Route Hearing - MH-1-99 and MH-2-99 - Reasons for Decisions dated 20 and 30 July 1999

ProGas Limited - Natural Gas Export - GHW-2-99 - Letter Decision dated 19 August 1999

Report

Short-term Natural Gas Deliverability from the Western Canada Sedimentary Basin - 1998 2001 - September 1999

Instructions for Filing

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 444 Seventh Avenue SW, Calgary, AB T2P 0X8; Telephone (403) 292-4800; Fax (403) 292-5503.

Appendix I lists the number of copies required for the different types of applications.

Telephone Numbers

Appendix II lists the telephone number of Board Members and key staff.

Web Site

Internet users are invited to visit the Board's Internet home page at <http://www.neb.gc.ca>.

Board Document System (BDS)

The Board's BDS system is available to the public, offering direct access to an electronic library of regulatory documents. Document contents may be searched on-line with full-text search capabilities. Presently, the system contains Reasons for Decision dating from 1985 and hearing transcripts from 1991. Other document types will be added gradually, as they become available in standardized electronic format. The BDS may be used from remote locations or at the Board's Calgary office. The only cost to users will be long-distance telephone charges, if any, to connect to the system.

All users are asked to register with the Board and sign a public access agreement. This agreement explains the responsibilities of the user and outlines relevant terms and conditions. Request for a user account may be made by mail, facsimile or telephone at (403) 292-4800. For more information, a brochure on the Board Document System is also available.

National Energy Board
Michel L. Mantha
Secretary

For information:

Denis Tremblay,
Tel: (403) 299-2717,
Email: dtremblay@neb.gc.ca

For copies of documents:

Publications Office,
Tel: (403) 299-3562,
Fax: (403) 292-5503,
Email: <http://www.orders.neb.gc.ca>

Appendix I

Number of Copies Required for Filings

Applicants are requested to provide the following number of copies of their applications or other filings to the National Energy Board. For matters not listed below, one copy is sufficient.

Type of Application or Filing	No. of Copies	Type of Application or Filing	No. of Copies
(a) Hearing Matters		(iii) Oil Exports	
(i) Certificates		Registered Oil Export Orders	05
Pipeline	25	(iv) Tolls	
Power Line	20	Class I and II Adjustments	20
(ii) Export Licences		Interim Orders	20
Natural Gas	25	Operating and Maintenance Budgets	20
Electricity	20	Changes in Depreciation Rates	20
(iii) Tolls	25	Quarterly Surveillance Reports	20
(iv) Land Acquisitions	20	New or Changed Tariffs	20
(b) Non-Hearing Matters		Domestic Gas Sales Contracts and Amendments	20
(i) Natural Gas		Amendments to Tariff Orders	20
Export Orders	20	(v) Pipelines and Power Lines	
Orders for Transmission Access	20	Permits	15
Licence Amendments	20	Exemption Orders Pipelines (Sec. 58)	20
Amendments to Export Contracts	20	Certificate Amendments	20
Licence Revocations	20	Leave to Sell or Transfer	20
(ii) Electricity Exports		Incident Reports	20
Permits	15	(vi) Other	
Licence or Permit Amendments	15	Application for Review	20
Licence or Permit Revocations	15		

The number of copies of interventions or submissions to be provided in response to applications will be specified in the applicable hearing order. Parties who would find the provision of multiple copies an undue financial burden may file one copy, with a request to be excused from multiple filing.

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 444 Seventh Avenue S.W., Calgary, AB T2P 0X8 Telephone (403) 292-4800; Fax (403) 292-5503.

Appendix II

Selected List of Telephone Numbers (Area Code 403)

General Information 292-4800
Incident Reporting Number 1-800-632-1663
1-800-NEB-1-ONE
Publication Office Tel: 299-3562
Fax: 292-5503
Email: <http://www.orders@neb.gc.ca>
Web Site <http://www.neb.gc.ca>

Board Members

Chairman	Kenneth Vollman	299-2730
Executive Assistant/Team Leader	Carmen Morin	299-2725
Vice Chairman	Judith A. Snider	299-2737
Assistant	Lillian Handleman	299-2741
Member	Rowland J. Harrison	299-2736
Assistant	Margaret Merta	299-2726
Member	John S. Bulger	299-3666
Assistant	Geraldine Green	299-2728
Member	Jean-Paul Théorêt	299-2724
Assistant	Louise Niro	299-2734
Member	Elizabeth Quarshie	299-2739
Assistant	Louise Niro	299-2734
Member	Deborah Emes	299-2729
Assistant	Geraldine Green	299-2728
Member ^(a)	Carmen Dybwad	299-2740
Assistant	Margaret Merta	299-2726
Temporary Member ^(b)	Mervin Ozirny	299-2740
Assistant	Margaret Merta	299-2726

(a) Will begin at the Board on 20 December 1999.

(b) Mr. Ozirny's appointment was extended to 30 November 1999.

Executive Office

Chief Operating Officer
Admin. Assistant Gaétan Caron 299-2700
Jan Dane 299-2701

Professional Leaders

Environmental	Bonnie Gray	299-3675
Engineer	Frank Gareau	299-3178
Economics	Glenn Booth	299-3621

Office of the Secretary

Secretary and Team Leader Regulatory Operations
Michel Mantha 299-2714
Regulatory correspondence Administrator
Chantale Painchaud 299-2731

Legal Services

General Counsel and Director
Judith Hanebury 292-6497
Counsel Peter Noonan 299-3552
Counsel Guiseppe Bentivegna 299-3552
Paralegal/Administrator
Susan Gudgeon 299-2704
Margery Fowke 299-2708
Lori Ann Boychuk 299-2709
Peter Enderwick 292-4104
Paralegal Helen Benes 299-3551
Counsel Claire McKinnon 299-2707
Counsel Christine Beauchemin 292-6489
Counsel Gino Grondin 292-6495
Counsel Guy Delisle 299-3937
Paralegal Caroline Healy 292-6540

Information Management Business Unit

Acting Business Unit Leader

Byron Goodall 299-2711

Technical Project Manager, Electronic Regulatory Filing

Margaret Harper 299-3613

Communications

Acting Team Leader Ross Hicks 299-3930
Communications Officer Denis Tremblay 299-2717
Reception 292-4800

Library

Team Leader Shawn Aitken 299-3932
Library, Information 299-3561

Applications Business Unit

Business Unit Leader	Brenda Kenny	299-3565
<i>TransCanada PipeLines Limited and Trans Québec & Maritimes Pipeline Inc.</i>		
Team Leader	Steve Brown	299-3653
<i>Westcoast Energy Inc. and Trans Mountain Pipe Line Company Ltd.</i>		
Team Leader	Hans Pols	299-3189
<i>Enbridge Pipelines Inc., Trans-Northern Pipelines Inc. and Express Pipeline Ltd.</i>		
Acting Team Leader	Sandy Harrison	299-3673
<i>Alberta Natural Gas Company Ltd, Foothills Pipe Lines Ltd. and Alliance Pipeline Ltd.</i>		
Acting Team Leader	Chantale Simons	299-3888
<i>Cochin Pipe Lines Ltd., Maritimes and Northeast Pipeline Management Ltd. and Natural Gas Liquids Pipelines and Exports</i>		
Team Leader	Gurdeep Gill	299-3659

Commodities Business Unit

Business Unit Leader	Terrance Rochefort	299-3646
<i>Commodity Convergence</i>		
Team Leader	Jawed Aziz	299-3630
<i>Gas</i>		
Team Leader	Bill Bingham	299-3198
<i>Oil</i>		
Team Leader	Barry Lynch	299-3197
<i>Electricity</i>		
Team Leader	Julian Emanuel	299-3186
<i>Resource Assessment</i>		
Team Leader	Jim Davidson	299-3135

Operations Business Unit

Business Unit Leader	John McCarthy	299-2766
<i>Health, Safety and Environment</i>		
Team Leader	Wayne Marshall	299-3901
<i>Exploration and Development</i>		
Team Leader	Terry Baker	299-2792
<i>Regulatory Development</i>		
Team Leader	Bharat Dixit	299-3903
<i>Pipeline Accident Investigation</i>		
Team Leader	Paul Trudel	299-2768
<i>Construction Compliance</i>		
Team Leader	Christine van Egmond	299-2783

Corporate Services Business Unit

Acting Business Unit Leader	Christine Elder	299-3698
<i>Human Resources Development</i>		
Team Leader	Christine Elder	299-3698
<i>Labour Management</i>		
Team Leader	Earl Schultz	299-3620
<i>Planning and Reporting</i>		
Team Leader	Peter Schnell	292-6137

Appendix III

Section 58 Applications

The Board has approved or is considering several applications under section 58 of the NEB Act involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. These matters may be considered by the Board without a public hearing.

Gas Pipelines

Applicants	File/Order Nos.	Application	Est. Cost
AltaGas Services Inc.	File: 3400-A169-1 Order: XG-A169-46-99	Application dated 26 May; approved on 11 August. Construct a 7.7-kilometre long pipeline.	500 000
Canadian Hunter Exploration Ltd.	File: 3400-C087-9 Decision Pending	Application dated 28 June. Construct a 0.4-kilometre long pipeline from the Kelly well site in British Columbia to the Elmworth Gas Gathering System in Alberta. On 23 July, the Board sent a letter to the company requesting additional information.	118 725
Duke Energy Midstream Services Ltd.	File: 3400-D066-1 Decision pending	Application dated 13 July. Construct and operate a sour gas pipeline approximately 21 kilometres from West Doe area of British Columbia to Duke's Pouce Coupe Gas Plant in Alberta. On 12 August, the Board sent a letter to the company requesting additional information.	2 600 000
Foothills Pipe Lines Ltd.	File: 3400-F6-24 Order: XG-F6-52-99	Application dated 5 March; approved on 6 August. Excavating and recoating project for Zone 6.	150 000
	File: 3400-F6-26 Order: XG-F6-60-99	Application dated 28 July; approved on 8 September. Purchase and install dry gas seal systems at Stations 392, 393 and 394-1.	247 000
	File: 3400-F6-27 Order: XG-F6-57-99	Application dated 24 August; approved on 2 September. Install an air system moisture analyzer at the Empress compressor Station.	17 800
Many Islands Pipelines (Canada) Limited	File: 3400-M29-27 Order: XG-M29-53-99	Application dated 20 July; approved 13 August. Construct a hot tap-off.	30 000
	File: 3400-M29-28 Order: XG-M29-54-99	Application dated 21 July; approved 13 August. Replace 36 metres of pipe.	6 300
TransCanada PipeLines Limited	File: 3400-T1-169 Order: XG-T1-44-99	Application dated 4 June; approved on 14 July. Tap, turbine meter and associated by-pass line at the Parry Sound Sales Meter Station; Sales taps in the Townships of Calvin and Osgoode, Ontario; and replace non-piggable bend at Compressor Station 75.	866 000
	File: 3400-T1-170 Order: XG-T1-45-99	Application dated 9 June; approved on 19 July. Construct a new Oro Medonte Meter Station and upgrade the Emerson I and Parkway Sales Meter Stations.	2 283 000
	File: 3400-T1-172 Order: XG-T1-47-99	Application dated 30 June; approved on 6 August. Crane Shelters and retrofits.	6 173 000
	File: 3400-T1-171 Order: XG-T1-50-99	Application dated 2 July; approved on 3 August. Soil remediation projects at Compressor Stations 92 and 99.	4 203 000
	File: 3400-T1-163 Order: XG-T1-59-99	Application dated 6 January; approved on 10 September. Modify wastewater system at Station 209.	61 000

Gas Pipelines

Applicants	File/Order Nos.	Application	Est. Cost
Westcoast Energy Inc.	File: 3400-T1-173 Order: XG-T1-62-99	Application dated 27 August; approved on 28 September. Reconstruct the Dauphin Meter Station tap at MLV 25.	275 000
	File: 3400-W5-222 Order: XG-W5-49-99	Application dated 22 June; approved on 29 July. - Project S017: Tailgas valve relocation at the McMahon Plant. - Project U0166: Replace Halon system at the Vancouver Gas Control Centre. - Project T0078: Install a propane powered thermal electric generator and ground bed system which will give added cathodic protection to the Grizzly line.	305 000
	File: 3400-W5-223 Order: XG-W5-48-99	Application dated 23 June; approved on 28 July. Replace pipe, tie-in and hydrostatic test pipelines located under the Taylor bridge.	1 750 000
	File: 3400-W5-224 Order: XG-W5-51-99	Application dated 30 June; approved on 3 August. Construct pigging barrels at the sending and receiving end of South Shekille pipeline.	136 000
	File: 3400-W5-225 Order: XG-W5-55-99	Application dated 27 July; approved 17 August. Replace approximately 37 metres of pipe at Mile Post 540.50.	250 000
	File: 3400-W5-226 Order: XG-W5-58-99	Application dated 12 August; approved on 31 August. Relocate sending barrel and flare facilities on the Helmet Extension Pipeline.	
	File: 3400-W5-227 Order: XG-W5-61-99	Application dated 23 August; approved on 13 September. Add oil vent mist eliminators at Station 2 and construct an environmental storage facility at Station 2 B.	83 000

Oil Pipelines

Applicants	File/Order Nos.	Application	Est. Cost
Cochin Pipe Lines Ltd.	Files: 3400-C18-32 & 33 Order: XO-C18-19-99	Application dated 1 June; approved on 11 August. Install cable trays at pump stations located at Vegreville, Kerrobert, Elbow, Findlator and Estlin. Install mainline instrumentation at pump stations.	473 000
Enbridge Pipelines Ltd.	File: 3400-E101-14 Order: XO-E101-21-99	Application dated 5 August; approved on 20 August. Sour stream modifications at Edmonton Terminal.	265 625
	File: 3400-E101-16 Order: XO-E101-23-99	Application dated 11 August; approved on 7 September. Automate control of two booster pumps and two injection valves at the Regina Terminal.	77 800
Enbridge Pipelines (NW) Inc.	File: 3400-E102-3 Order: XO-E102-22-99	Application dated 5 August; approved on 18 August. Replacement of the existing uninterruptible power supply.	
Pipestone Pipelines Ltd.	File: 3400-P176-2 Order: XO-P176-20-99	Application dated 17 March; approved on 5 July. Crude oil pipeline 100 metres long.	8 331

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament. Over the course of its history, it has played an important role in the development of Canada's energy sector.

The Board's regulatory powers under the *National Energy Board Act* include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and designated interprovincial and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment, and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by the Ministry of Labour to administer Part II of the *Canada Labour Code*.

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par l'Office national de l'énergie

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Regulatory Agenda

The period covered in this Regulatory Agenda is 1 October to 31 December 1999

Applications Considered by Public Hearing

Recent Hearing Decisions

**1. Maritimes and Northeast Pipeline Management Ltd.
(M&NP) - Halifax Lateral - GH-2-99
(File 3200-M124-3)**

Reasons for Decision dated October 1999; issued on 7 October 1999.

The Board approved an application from M&NP, on behalf of Maritimes & Northeast Pipeline Limited Partnership, for (i) a Certificate of Public Convenience and Necessity authorizing the construction and operation of a natural gas lateral pipeline (the Halifax Lateral) from the M&NP mainline to a point in the Halifax Regional Municipality in Nova Scotia, and (ii) related toll and tariff authorizations.

The Board also confirmed that no contribution-in-aid of construction is required and that the full cost of service of the Halifax Lateral should be included in the calculation of M&NP's tolls. However, M&NP will be required to absorb any shortfall in revenues arising as a consequence over the first 25 years of the project.

The Halifax Lateral will consist of approximately 124 kilometres (77 miles) of 323.9 millimetres (12 inch) outside diameter pipeline from a point near Stellarton, Nova Scotia

on the M&NP mainline to the delivery point at the Tufts Cove generating station in the Halifax Regional Municipality. The estimated cost of the project is \$77.8 million and the planned in-service date is 1 November 2000.

The Board considered the application at a public hearing held in Halifax from 10 to 17 May 1999.

**2. Maritimes & Northeast Pipeline Management Ltd.
(M&NP) - Saint John Lateral - GH-4-99
(File 3200-M124-2)**

Reasons for Decision dated November 1999; issued on 22 November 1999.

The Board approved an application from M&NP, on behalf of Maritimes & Northeast Pipeline Limited Partnership, for (i) a Certificate of Public Convenience and Necessity authorizing the construction and operation of a natural gas lateral pipeline (the Saint John Lateral) from M&NP's mainline in New Brunswick to the City of Saint John and the Lake Utopia area, and (ii) related toll and tariff authorizations.

The Board also confirmed that no contribution-in-aid of construction is required and that the full cost of service of the Saint John Lateral should be included in the calculation of M&NP's tolls.

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PREFACE

The purpose of this quarterly agenda is to provide information on the Board's activities.

Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the National Energy Board Act, R.S.C. 1985, c.N-7, as amended.

**"We promote Safety,
Environmental Protection and Economic
Efficiency"**

National Energy
Board



Office national
de l'énergie



The Saint John Lateral will consist of approximately 102 kilometres (63 miles) of 406.4-millimetre (16-inch) outside diameter pipeline from M&NP's mainline near Big Kedron Lake, New Brunswick to the City of Saint John. M&NP will also construct approximately eight kilometres (five miles) of 114.3-millimetre (four-inch) outside diameter pipeline from a point on the lateral to the Lake Utopia area. The estimated cost of the project is \$92.7 million and the proposed in-service date is 1 November 2000.

The Board considered the application at a public hearing held at St. Andrews, New Brunswick from 12 to 14 October 1999.

Hearing in Progress

1. *Western & Pacific Pipelines Inc. (W&P) on behalf of Wapella Pipelines Ltd. (Wapella) Operation of a Pipeline - OHW-1-99 (File 3200-P176-1)*

The Board has been conducting a written public hearing on an application by W&P, on behalf of Wapella, for the operation of a pipeline between Saskatchewan and Manitoba.

W&P applied to operate 70 kilometres (43.5 miles) of 219.1-millimetre (eight-inch) outside diameter crude oil pipeline originating at its Red Jacket terminal near Moosomin, Saskatchewan and terminating at the Enbridge Pipelines (Virden) Inc. terminal near Cromer, Manitoba.

Hearing Scheduled

1. *TransCanada PipeLines Limited (TCPL) - Amendments to the Interruptible Service (IT) and Short Term Firm Transportation (STFT) Toll Schedules - RH-1-99 (File 4775-T001-1-11)*

The Board will hold a public hearing commencing on 18 January 2000 in Calgary on an application by TCPL for approval of amended IT and STFT toll schedules.

The purpose of the proposed tariff amendments is to modify the methodology currently used by TCPL to price and allocate IT and STFT services. The amended toll schedules would implement a mechanism under which capacity that is available to be used for the provision of the two services would continue to be allocated through a bidding process. However, the new mechanism would permit TCPL to establish, prior to the bidding process for available capacity, a minimum bid price, below which TCPL would not be obligated to accept bids.

TCPL had requested that the amended toll schedules be made effective on an interim basis. The Board sought comments from interested parties on TCPL's request. After having reviewed the submissions received, the Board denied the request for interim relief and decided to conduct a public oral hearing.

Hearing Application Withdrawn

1. *ENCO Gas, Ltd. (ENCO) - Export of Natural Gas - GHW-3-99 (File 7200-E076-2)*

On 19 October 1999, ENCO withdrew its application for a licence to export natural gas, for the period commencing on 1 November 1999 and extending to 31 October 2008, to serve a cogeneration plant in Sumas, Washington. The Board was holding a written public hearing on the application.

Hearing Adjourned

1. *TriState Canada Limited Partnership (TriState) - Pipeline Construction - GH-3-99 (File 3400-T089-1)*

For more information on this matter, refer to item 1 under *Hearing Applications*, *Hearing Adjourned* in issue No. 70 of the *Regulatory Agenda* dated 1 October 1999.

Hearings Postponed

1. *Mr. Robert A. Milne, 3336101 Ontario Limited, c.o.b. as Milne Crushing & Screening - MH-1-97*

For more information on this matter, refer to item 1 under *Hearing Applications*, *Hearings Postponed* in issue No. 62 of the *Regulatory Agenda* dated 1 October 1997.

2. *Crowsnest Pipeline Project (CNP) - Natural Gas Pipeline*

For more information on this matter, refer to item 1 under *Hearing Applications*, *Hearing Application Suspended* of issue No. 63 of the *Regulatory Agenda* dated 1 January 1998.

Hearing Applications Filed

1. *St. Clair Pipelines (1996) Ltd. (St. Clair) - TransCanada PipeLines Limited (TCPL) - Pipeline Projects in Ontario - Collectively Known as the Canadian Millennium Pipeline Project (Files 3200-S119-1 and 3200-T001-15)*

On 9 and 16 December 1998, TCPL and St. Clair, respectively, applied to construct pipelines to transport natural gas to markets in the northeast and mid-Atlantic United States.

St. Clair applied to construct a 74-kilometre (46-mile) pipeline and related facilities extending from a point near Sarnia, Ontario to the shore of Lake Erie near Patrick Point, Ontario, 25 kilometres (15.5 miles) southwest of Port Stanley (the Millennium West Pipeline). There it will interconnect with the Lake Erie Crossing requested by TCPL.

The proposed TCPL Lake Erie Crossing is a 97.4-kilometre (60.5-mile) pipeline, extending from the lakeshore to the Canada/United States border located near the middle of Lake Erie where it will interconnect, beneath the waters of Lake Erie, with the proposed Millennium Pipeline, creating a new

Lake Erie export point. From shore-to-shore the lake crossing is about 145 kilometres (90 miles) long.

The initial capacity of the proposed pipelines is 19.8 million cubic metres (700 million cubic feet) per day. The proposed Millennium West Pipeline is estimated to cost \$166 million while the total project cost of the proposed Lake Erie Crossing is estimated at \$162 million. The two companies plan an in-service date of 1 November 2000.

On 30 June 1999, the Minister of the Environment informed the Board that she had asked the Canadian Environmental Assessment Agency (CEAA) to issue for public comment a draft agreement regarding the public review of the above noted applications. The Board had previously referred the Project to the Minister for a referral to a review panel regarding the environmental assessment required by the *Canadian Environmental Assessment Act*.

On 27 and 28 July 1999, staff of the Board and the CEAA conducted public meetings in Glencoe and Port Stanley, Ontario, respectively. The meetings were held for the benefit of those persons interested in participating in the forthcoming public hearings. Staff explained the public review procedure and hearing process as well as routing and land acquisition matter and the participant funding program of the CEAA.

2. Husky Oil Operations Limited (Husky) - Amendments to Natural Gas Export Licence GL-214 (File 7200-H012-4-2)

On 2 December 1999, Husky applied for approval to extend the term of an existing natural gas export licence for one year, from 31 October 2006 to 31 October 2007, and to increase the volumes to be exported under the licence. Under the licence, Husky exports natural gas to Midland Cogeneration Venture Limited Partnership which operates a cogeneration facility in Midland Michigan. The natural gas will be produced from Husky's corporate supply pool and will be exported from Emerson, Manitoba. The requested volume increases are as follows:

	Previously Authorized	Increase to
Daily:	424 900 m ³ (15.0 million ft ³)	566 600 m ³ (20.0 million ft ³)*
Annual:	155.1 million m ³ (5.5 billion ft ³)	206.8 million m ³ (7.3 billion ft ³)*
Term:	2.5 billion m ³ (90.3 billion ft ³)	2.7 billion m ³ (95.7 billion ft ³)

* for the period 1 November 2004 to 31 October 2006.

Conference and Public Proceeding

Conference

1. Natural Gas Liquids (NGL) Access on the Enbridge Pipelines Inc. (Enbridge) System (File 4825-E101-1)

The Board held a conference on 28 October 1999 in Calgary to discuss issues related to the transportation of NGL on the Enbridge system. The objective of the conference was to provide a forum for the exchange of views on a regulatory mechanism for the examination of tolling and access for NGLs on the Enbridge system.

Following the conference, the level of support for Enbridge's application regarding *Natural Gas Liquids Toll Methodology and Terms of Access* was not clear. Some participants suggested that an open season would be necessary to assess industry interest. The Board agreed that this would be useful as the next step in the process. On 12 November 1999, the Board requested that Enbridge conduct an open season, on the facilities proposed in its application, to ascertain the level of interest in these facilities and the tolling mechanism.

Enbridge held a workshop on 13 December 1999 to discuss the open season process.

In March 1999, Enbridge filed an application on *Natural Gas Liquids Toll Methodology and Terms of Access*. The Board had directed Enbridge to file this application following a public

hearing, held in November 1996, on an application by PanCanadian Petroleum Limited to the Board for an order to require Enbridge to transport PanCanadian's NGL. In the decision following that public hearing, the Board granted PanCanadian's application and indicated its interest in the broad issue of NGL access to the Enbridge system for all potential shippers.

Public Proceeding

1. Shiha Energy Transmission Ltd. (Shiha) - Pipeline construction - MH-4-99 (File 3400-S056-1)

On 7 October 1999, the Board decided, regarding a jurisdiction question it had raised in respect of Shiha's application, that the downstream facilities, together with the applied-for Liard Pipeline Project, do not form a single federal work or undertaking subject to section 52 of the *National Energy Board Act*. Nor are the downstream facilities integral to the applied-for Liard Pipeline Project.

On 29 October 1999, the Board informed interested parties that it had decided to continue to process Shiha's application in the usual manner for section 58 applications, without an oral hearing. The Board also informed parties that in view of the stated interest Manitoba Future Forest Alliance, Canadian Forest Oil Ltd. and the potential interest of the

Citizens Oil & Gas Council in the application that it would extend to those parties an opportunity for input in the Board's process.

The Board considered the submissions of interested parties on the preliminary question of jurisdiction at a public proceeding held on 7 October 1999 in Calgary, Alberta. The preliminary question of jurisdiction was "Are the proposed Downstream Facilities within federal jurisdiction under section 92(10)(a) of the *Constitution Act*, 1867 because they together with the applied-for Liard Pipeline Project constitute a single federal work or undertaking and properly subject to section 52 of the *National Energy Board Act*? If not, do they come within federal jurisdiction because they are integral to the applied-for Liard Pipeline Project?"

Shiha has applied to construct approximately 24 kilometres (15 miles) of 324-millimetre (12-inch) outside diameter pipeline to transport natural gas from a proposed facility near Fort Liard, Northwest Territories to a proposed gas facility near Maxhamish Lake in northeastern British Columbia. Another pipeline segment, which was the subject of the public proceeding, of approximately 164 kilometres (101 miles) is proposed to be constructed from the Maxhamish facility to a point of interconnection with the existing system of Westcoast Energy Inc. just south of the Fort Nelson, British Columbia gas processing plant.

Non Hearing Applications

The Board had, or has, before it a number of applications and other matters that do not require public hearings. Since the 1 October 1999 issue of the *Regulatory Agenda*, the matters below have been or are being considered by the Board.

ELECTRICITY MATTERS

Matters Completed

1. *Fraser Paper Inc. (Canada) (Fraser) - Electricity Export (File 6200-F4-6)*

On 25 November 1999, the Board approved an application dated 30 September 1999 from Fraser for permits to export a maximum of 60 megawatts of firm power and 400 gigawatt hours of firm energy from 1 January 2000 to 31 December 2002.

2. *James Maclaren Industries Inc. (JMI) and Great Lakes Power Inc. (GLP) - Transfer of Electricity Permits (File 6200-G050-1)*

On 1 November 1999, the Board approved a joint application dated 15 October 1999 from JMI and GLP for an order authorizing the transfer of export permit EPE-111 and EPE-112 from JMI to GLP. Under Permit EPE-111, JMI is authorized to export 8 760 gigawatt hours of interruptible energy in any consecutive 12-month period less the amount of energy exported under Permit EPE-112. Under Permit EPE-112, JMI is authorized to export 1 000 megawatts of short-term power and 8 760 gigawatt hours of interruptible energy in any consecutive 12-month period.

3. *Manitoba Hydro - Electricity Export (File 6200-M020-10)*

On 16 December 1999, the Board approved an application dated 19 July 1999 from Manitoba Hydro for permits to export to Otter Tail Power Company a maximum of

50 megawatts of participation power from 1 May 2000 to 30 April 2010 at a 47.6 per cent capacity factor per 28 day period.

4. *New Brunswick Power Corporation (NB Power) - Electricity Export (File: 6200-N003-9)*

On 22 December 1999, the Board approved an application dated 5 August 1999 from NB Power to export 224 megawatts of firm power commencing on 1 January 2000 and ending 31 October 2020. The maximum energy that can be exported is 167 gigawatt hours in any one month. Until October 2003, the maximum that can be exported is two terawatt hours in any one year. After October 2003, when the export is limited to seven months per year, the maximum that can be exported in one year is 1 150 gigawatt hours. This export would be in accordance with the terms of the firm power and energy contract between NB Power and Northeast Utilities Service Company executed on 31 October 1998.

5. *PG&E Energy Trading - Power L.P. (PG&E) - Electricity Export (File 6200-P070-1)*

On 16 December 1999, the Board approved an application dated 12 October 1999 from PG&E for permits to export up to 5 000 gigawatt hours of interruptible energy and 5 000 gigawatt hours of short-term firm energy for a period of 10 years.

6. *Southern Company Energy Marketing L.P. (Southern) - Electricity Export (File 6200-S171-1)*

On 6 October 1999, the Board approved an application dated 23 July 1999 from Southern to export up to 3 000 megawatts of firm and interruptible power and 5 000 gigawatt hours of firm and interruptible energy annually for 10 years.

Matters Under Consideration

7. Canadian Niagara Power Company Limited (CNP) - Electricity Permit (File 6200-C010-6)

On 4 October 1999, CNP applied for permits to export up to 50 megawatts of firm and interruptible power and 250 gigawatt hours of firm and interruptible energy annually for 10 years.

8. Engage Energy US, L.P. (Engage) - Electricity Export (File 6200-E31-1)

On 14 December 1999, Engage applied for permits to export a maximum of 1 000 megawatts of firm power; 7 508 megawatts of combined firm and interruptible power; 7 508 gigawatt-hours of firm energy; and 2 234 gigawatt-hours of interruptible energy annually for 10 years.

9. Manitoba Hydro - Contract Amendments - Permits EPE-33 and EPE-34 (File 6200-M020-6-1)

On 9 November 1999, Manitoba Hydro applied for approval of modifications to the Northern States Power Company 200 megawatt and 150 megawatt Diversity Agreements. The rate for energy delivered to Manitoba Hydro for the winter season from 1 November 1999 to 30 April 2000 as defined in the agreements will be changed to market prices in the Mid-Continent Area Power Pool.

10. Sumas Energy 2, Inc. (Sumas) - International Power Line (File 2200-S040-1)

On 7 July 1999, Sumas applied for approval to construct and operate a 230 000-volt international power line. The line would extend a distance of approximately 8.5 kilometres (5.3 miles) southward from the Clayburn Substation located in Abbotsford, British Columbia to a point on the international boundary located at Sumas, Washington.

On 18 November 1999, the Board sent a letter to Sumas directing the Company to consult with the individuals potentially most directly affected by the project and requested information regarding consultations with First Nations and aboriginal people and the current use of lands and resources by aboriginal people for traditional purposes.

NATURAL GAS MATTERS

Matters Completed

1. Alberta Northeast Gas Limited (ANE) - Contract Amendments - Natural Gas Export Licences GL-102 to GL-105 - (File 7200-A056-1-1)

On 27 October 1999, the Board approved, in part, an application dated 8 October 1999 from ANE for approval of contract amendments underpinning natural gas exports under Licences GL-102 to GL-105.

The Board is continuing its review of the portion of ANE's application as it relates to a contractual volume reduction underpinning Licence GL-102 (see item 3 below). In 1987, ANE and its upstream gas suppliers were issued, as joint holders, the following licences:

ANE/TransCanada PipeLines Limited	GL-102
ANE/ProGas Limited	GL103
ANE/ATCOR Ltd.	GL-104
ANE/Alberta Oil and Gas Limited	GL-105

ANE purchases gas from each of the above mentioned suppliers under separate gas purchase agreements. Subsequently, ANE sells the gas under a number of gas sales agreements to a specified list of United States end-users (18 northeast local distribution companies).

2. Enron North America Corp. (ENAC) - Amendments to Natural Gas Export Licences GL-258, GL-268, GL-277, GL-278, GL-279 and GL-293 (Files 7200-E021-2-2; 3-2; 4-2; 5-2; 6-2 and 7-2)

On 9 November 1999, the Board approved an application dated 23 October 1999 from ENAC to amend the above-noted natural gas export licences so as to change the licences holder's name from Enron Capital & Trade Resource Corp. to ENAC.

Matters Under Consideration

3. Alberta Northeast Gas Limited (ANE) - Contract Amendments - Natural Gas Export Licence GL-102 (File 7200-A056-1-2)

On 27 October 1999, the Board approved, in part, an application dated 8 October 1999 from ANE for approval of contract amendments underpinning natural gas exports under Licences GL-102 to GL-105 (see item 1 above). On that date, the Board decided to continue its review of the portion of ANE's application as it relates to a contractual volume reduction in ANE/TransCanada PipeLines Limited's Licence GL-102. Yankee Gas Services Company, one of ANE's downstream customers, provided notice of termination with respect to its obligations under two TransCanada contracts underpinning Licence GL-102. Subsequently, TransCanada Gas Services and ANE executed a letter agreement to terminate their obligations to provide a certain volume of gas to ANE for export covering the Yankee volume.

On 15 November and 3 December 1999, the Board sent letters to ANE requesting additional information.

4. Androscoggin Energy LLC (Androscoggin) - Replacement Gas Purchase Agreement and Amendment to Natural Gas Export Licence GL-283 (File 7200-A162-1-2)

On 29 September 1999, Androscoggin applied for approval of a replacement gas purchase agreement and to amend

natural gas export Licence GL-283. Under Licence GL-283, Androscoggin is authorized to export some 1.24 million cubic metres (43.9 million cubic feet) of natural gas per day for a period of ten years to serve the Androscoggin Energy Center cogeneration plant in Jay, Maine. Licence GL-283 is supported by four gas sales contract of which the contract with Rio Alto Exploration Ltd. for 307 000 cubic metres (10.9 million cubic feet) per day has been terminated. As a result, Androscoggin executed a replacement gas purchase contract with Duke Energy Marketing Limited Partnership for the purchase of 282 000 cubic metres (10.0 million cubic feet) per day of natural gas covering five years of the ten-year licence term.

On 20 October 1999, the Board sent a letter to Androscoggin requesting additional information.

5. *Encogen Northwest L.P. (Encogen) - Transfer of Natural Gas Export Licence GL-190 (File 7200-E078-1-2)*

On 11 October 1999, Encogen applied for approval to transfer natural gas export Licence GL-190 to Puget Sound Energy, Inc. Under Licence GL-190, Encogen is authorized to export natural gas to its cogeneration facility in Bellingham, Washington.

On 21 October 1999, the Board sent a letter to Encogen requesting additional information.

6. *Engage Energy Canada, L.P. (Engage) - Transfer of Several Gas Export Licences*

For more information on this matter, refer to item 4 under *Other Applications, Electricity Matters* in issue No. 70 the *Regulatory Agenda* dated 1 October 1999.

PIPELINE MATTERS

Matters Completed

1. *Filing Procedures for Section 104 of the National Energy Board Act (the NEB Act) Right of Entry Order Applications - Effective 1 November 1999*

On 27 October 1999, the Board advised pipeline companies under its jurisdiction that it has found that inconsistencies exist between the requirements of subsection 104(2) of the NEB Act and section 55 of the *National Energy Board Rules of Practice and Procedure*, 1995 (the Rules). The former requires an application to be dated between thirty and sixty days after the date that notice is served upon a landowner, while the latter requires the filing of an application forthwith after the service of the notice on a landowner.

These inconsistencies have led practitioners to adopt confusing devices, such as deemed filing dates, which are different from actual filing dates, as a means of rationalizing these provisions.

The Board now considers that section 55 of the Rules cannot stand where it provides for procedures which depart from those under subsection 104(2) of the NEB Act. In order to obtain congruency between the NEB Act and the Rules, the Board directs that section 55 of the Rules be read down to omit the requirement of filing a right of entry application "forthwith" after service of the notice upon a landowner. Rather, the right of entry application should be dated and filed no less than thirty days and not more than sixty days after service of the notice upon a landowner.

Practitioners should also continue to be mindful of the provisions of subsection 8(8) of the Rules and Part III of the *Federal Court Rules* regarding the computation of time for personal service of documents.

The Board will be revising its internal procedure to conform to the content of this Practice Direction.

2. *AEC Suffield Gas Pipeline Inc. (AEC) - Natural Gas Pipeline Construction - Cypress Pipeline (File 3400-A163-2)*

On 7 December 1999, the Board approved an application dated 30 September 1999 from AEC to construct approximately 6.2 kilometres (3.8 miles) of 168-millimetre (six-inch) outside diameter pipeline to transport natural gas from the proposed AEC compressor station at Section 8-3-7-1 W4M in Alberta to a proposed Transgas Limited receipt point to be located at Section 9-32-6-30- W3M in Saskatchewan. The estimated cost of the pipeline is \$10 million.

3. *Canadian Hunter Exploration Ltd. (Canadian Hunter) - Natural Gas Pipeline Construction (File 3400-C087-10)*

On 9 December 1999, the Board approved an application dated 10 November 1999 from Canadian Hunter to construct approximately 9.9 kilometres (six miles) of 168.3-millimetre (six-inch) outside diameter pipeline to transport natural gas from a production facility located at a-83-H/93-1-16 in British Columbia to Canadian Hunter's existing Elmworth gas gathering system in Alberta at 9-22-68-13 W6M. The estimated cost of the pipeline is \$1.18 million.

4. *Duke Energy Midstream Services Ltd. (Duke Energy) - Pipeline Construction (File 3400-D066-1)*

On 8 October 1999, the Board approved an application dated 13 July 1999 from Duke Energy to construct approximately 21 kilometres (13 miles) of 168.3-millimetre (six-inch) outside diameter of pipeline to transport sour gas from the existing Talisman Energy Inc. dehydrator facility in the West Doe area of British Columbia, 25 kilometres (15.5 miles) north of Dawson Creek, to the existing Duke Energy Pouce Coupé gas plant facility in Alberta, eight kilometres (five miles) northwest of Bonanza, Alberta. The estimated cost of the pipeline is \$2.6 million.

5. Maritimes & Northeast Pipeline Limited Partnership (M&NP) - Condition 22 of Certificate of Public Convenience and Necessity GC-95 (File 3200-M124-1-1A)

(Refer to item 1 under *Appeals, Appeals Completed.*)

On 22 December 1999, the Board issued final orders to M&NP to operate its natural gas pipeline system located in the Maritimes. The Board concluded that M&NP had satisfied Condition 22 of Certificate of Public Convenience and Necessity GC-95 by entering into protocols or agreements with the Union of New Brunswick Indians; and the Assembly of Nova Scotia Mi'kmaq Chiefs, the Union of Nova Scotia Indians and the Confederacy of Mainland Mi'kmaq. With respect to the Native Council of Nova Scotia (NCNS), the Board found that M&NP had developed a protocol through meetings and discussions with the NCNS which is intended to provide a consultative basis for the implementation of the pipeline project, in so far as that activity concerns the NCNS. Therefore, the Board has concluded that M&NP has satisfied Condition 22 in respect of NCNS.

On 12 November 1998, the Union of Nova Scotia Indians et al had applied to the Federal Court of Appeal (FCA) for a judicial review of the Board's decision of 16 October 1999 that M&NP had satisfied Condition 22 of Certificate GC-95.

On 20 October 1999, the FCA decided to quash the Board's decision of 16 October 1998 regarding condition 22. The condition reads: "The Company shall submit to the Board a written protocol or agreement spelling out Proponent-Aboriginal roles and responsibilities for cooperation in studies and monitoring." The FCA decided that the matter be remitted to the Board for redetermination of whether Condition 22 is satisfied, after hearing from the UNSI et al as to their position on the protocol and agreement in principle submitted by M&NP with its 28 September 1998 application and giving the UNSI et al an opportunity to respond.

The Board held two written proceedings relating to the FCA's decision.

6. Murphy Oil Company Ltd. (Murphy) - Purchase a Natural Gas Pipeline (3400-M23-14)

On 14 October 1999, the Board approved an application dated 10 June 1999 from Murphy to purchase from ELAN Energy Inc. approximately 12.5 kilometres (7.8 miles) of 114.3-millimetre (4.5-inch) outside diameter pipeline which extends from the Cactus Lake North Oil Battery located at LSD 12-15-36-28W3 in Saskatchewan to the Bodo Oil Battery located at LSD 1-32-36-1W4 in Alberta.

7. Remington Energy Ltd. (Remington) and Gibson Petroleum Company Ltd. (Gibson) - Transfer of a Pipeline (Files 3400-G47-2 and 3400-R45-3)

On 24 December 1999, the Board approved a joint application from Remington and Gibson to transfer, from Remington to Gibson, a 6 590-metre, 114.3-millimetre (six-inch) outside diameter, natural gas pipeline (known as the Mica Pipeline). The location of the pipeline is from a tie-in point in British Columbia, in the vicinity of Fort St. John, to a well site receipt point in Alberta.

8. TransCanada PipeLines Limited (TCPL) - Application for Leave to Enter into an Agreement for Amalgamation with NOVA Gas International Ltd. (NGI) (Files 3400-N79-1 and 3400-T001-175)

On 22 December 1999, the Board approved a joint application dated 22 November 1999 from TCPL and NGI for an order for leave to enter into an agreement for amalgamation to be carried out under the provisions of subsection 184(1) of the *Canada Business Corporation Act*. The Board sought comments from interested parties on the application.

9. Vector Pipeline Limited Partnership (Vector) - Application to Vary Order XG-V16-15-99 (File 3400-V16-1)

On 16 December 1999, the Board approved an application dated 8 November 1999 from Vector to vary Condition 11 of Order XG-V16-15-99 so that Vector could file, prior to the commencement of construction, transportation contracts for firm volumes in the aggregate amount of 19.8 million cubic metres (700 million cubic feet) of natural gas per day. Condition 11 currently requires Vector to show that transportation contracts amounting to 23.4 million cubic metres (828 million cubic feet) of natural gas per day have been executed. The Board sought the views of interested parties on the application.

In March 1999, the Board issued Order XG-V16-15-99 approving the construction and operation of approximately 24 kilometres (15 miles) of 1 067-millimetre (42-inch) outside diameter pipeline, extending from a point along the international boundary in the St. Clair River near Sarnia, Ontario to a point near Dawn, Ontario.

10. Section 58 Applications

The Board has approved or is considering several applications under section 58 of the NEB Act involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. These matters may be considered by the Board without a public hearing. See Appendix III for a description of the applications approved or under consideration.

Matters Under Consideration

11. AEC Suffield Gas Pipeline Inc. (AEC Suffield) - Amber Energy Inc. (Amber) - Pipeline Construction - Ekwan Pipeline Project (File 3400-A167-1)

On 24 August 1998, Amber applied for approval to construct approximately 36 kilometres (22 miles) of 324 millimetre (12 inch) outside diameter natural gas pipeline from Amber's Ekwan Gas Plant to be located at c-10-E/95-1-9 in British Columbia to a meter station on the Nova Gas Transmission Ltd. system at Section 27-110-12-W6M in Alberta. The estimated cost of the pipeline is \$8.94 million.

Effective 1 December 1998, all of the issued and outstanding shares of Amber were purchased by Alberta Energy Ltd. The pipeline facilities forming part of the Ekwan Pipeline Project will be held by AEC Suffield Gas Pipeline Inc. (AEC Suffield), a wholly owner subsidiary of Alberta Energy Ltd.

On 2 and 24 February 1999, AEC Suffield responded to the Board's requests for information of October 1998. In its response of 24 February, the Company indicated that it chose not to amend its application to include upstream facilities contending that the application before the Board, as supplemented by the responses to the Board's information request, was complete.

On 9 April 1999, the Board determined that it was not necessary for AEC Suffield to include any facilities upstream of the applied-for pipeline in its applications. The Board, however, advised the Company that the Board had an obligation under section 15 of the *Canadian Environmental Assessment Act*, to determine the scope of the assessment in respect of the project. In that respect, the Board requested additional information from AEC Suffield.

On 30 June 1999, the Board sent another letter to AEC Suffield requesting additional information.

12. Foothills Pipe Lines Ltd., on behalf of Foothills Pipe Lines (Alta.) Ltd. (Foothills) - Expansion of Decompression/Recompression Facilities (File 3400-F007-4)

On 19 November 1999, Foothills filed two application for the construction of facilities on Foothills' Zone 6 at the Decompression/Recompression Facility near Empress Alberta. The two applications are interrelated and deal with the modifications of existing facilities and construction of new facilities in order to create a gas distribution header at the Decompression/Recompression Facility.

On 16 December 1999, the Board informed Foothills that it had received a letter, dated 6 December 1999, from NOVA Chemicals Corporation (Nova) requesting information from Foothills in respect of its applications. The Board was of the view that the issues raised by Nova may be of interest to other parties and decided to convene a written proceeding to

allow interested parties to submit information requests, comments and evidence on Foothills' applications.

13. Maritimes & Northeast Pipeline (M&NP) - Pipeline Purchase (Files 3400-M124-2 and 3200-M124-4-1)

On 16 September 1999, M&NP applied for approval to purchase from Sable Offshore Energy Inc. (SOEI) certain facilities interconnection with the Point Tupper Lateral facilities crossing the Strait of Canso in Nova Scotia. Pursuant to the Point Tupper Lateral Agreement between M&NP and SOEI, the Canso Crossing portion of the Point Tupper Lateral was to be constructed by SOEI, under the jurisdiction of the Nova Scotia Energy, Minerals and Resources Conservation Board, and then sold to M&NP and operated as part of the Point Tupper Lateral. This arrangement was discussed during the Point Tupper Lateral proceeding (GH-4-98) and accepted by the Board in its Reasons for Decision.

On 22 October 1999, the Board sent a letter to M&NP requesting additional information.

TRAFFIC, TOLLS AND TARIFF MATTERS

Matters Completed

1. Rate of Return on Common Equity (ROE) for the Year 2000

The Board has approved a rate of return on common equity of 9.90 per cent for the year 2000 for eight major pipeline companies classed as Group One by the Board. The ROE of 9.90 per cent for the year represents an increase over the 1999 approved rate of 9.58 per cent.

The multi-pipeline cost of capital decision established a mechanism to adjust the rate for 1996 and beyond without having to go to a public hearing process. The adjustment mechanism is designed to take into account the year-to-year change in forecast long-term (30 year) Government of Canada bond yields.

2. Enbridge Pipelines Inc. (Enbridge) - Tariffs for the Transportation of Offshore Crude Petroleum (File 4400-E101-1)

On 2 November 1999, the Board approved an application from Enbridge for approval of Tariff NEB No. 218 *Rules and Regulations Governing the Transportation of Offshore Crude Petroleum* and Tariff NEB No. 219 *Tolls Applying on Crude Petroleum Transported in Line 9 Operating in an East to West Direction*. The two tariffs govern the east to west transportation of offshore crude petroleum on Line 9 between Montreal, Quebec and Sarnia, Ontario. The Board sought the comments of interested parties in considering the application.

3. Enbridge Pipeline Inc. (Enbridge) - Interim Tolls (File 4775-E101-1)

On 24 December 1999, the Board approved an application dated 20 December 1999 from Enbridge for interim tolls effective 1 January 2000 pending the approval of the 2000-2004 Incentive Tolls Settlement being negotiated with the Canadian Association of Petroleum Producers.

4. Fletcher Challenge Energy Canada Inc. (Fletcher) - Access to the Renaissance Energy Ltd. (Renaissance) Pipeline (File 3400-F42-4)

On 22 December 1999, the Board denied an application dated 26 July 1999 from Fletcher for an order authorizing access to a gas pipeline owned by Renaissance. The Board found that the evidence was not persuasive that granting Fletcher's application would be in the public interest. The Board had established a written proceeding to consider the application.

Fletcher was claiming that its gas well is shut-in because Renaissance has refused access to its pipeline. Both Renaissance and Fletcher are producing gas from the same pool. Their wells are located on adjacent sections. Renaissance owns 9.4 kilometres (5.8 miles) of 60 millimetre (two-inch) gas pipeline. The pipeline is a sausage-link connecting a pipeline supplying fuel gas to two oil batteries in Saskatchewan and an oil battery in Alberta.

On 22 December 1999, the Board also decided, given the interest expressed by Fletcher in contracting capacity on Renaissance's pipeline, that it would be in the public interest to require Renaissance to establish a tariff which would, at a minimum, provide terms and conditions, for the allocation of excess capacity and non-discriminatory expansion policy.

5. (a) ISH Energy Ltd. (ISH) - Enbridge Pipelines (NW) Inc. (Enbridge (NW)) - Tolls - Complaint

(b) Enbridge (NW) - Negotiated Settlement Respecting Amended Terms of the Norman Wells Pipeline Agreement (NWP) and Associated Tolls and Tariff (File 4400-E102-2)

On 12 March 1999, ISH filed a complaint concerning the final adjustment procedure used to allocate the full cost of service on the Norman Wells Pipeline. ISH asked the Board to review the allocation process starting with the 1996 fiscal year.

On 12 April 1999, the Board advised ISH that while it was prepared to examine the Company's request on a prospective basis, it could not do so on a retroactive basis because the National Energy Board Act does not allow retroactive rate making. Accordingly, the Board denied ISH's request for a review of Enbridge (NW)'s tolls for the years 1996 to 1998 and for the months of January to April 1999. For the period starting 1 May 1999, the Board decided to seek comments

from interested parties regarding ISH's request. The Board had also decided to make Enbridge (NW)'s tolls interim effective 1 May 1999.

Subsequently, Enbridge (NW) negotiated amendments to the NWP to address ISH's concerns on a prospective basis. In July 1999, Enbridge (NW) consulted shippers and interested parties on the draft amendments to the NWP and no party (including ISH) expressed concern on any aspect of the draft agreement. On 17 September 1999, Enbridge (NW) filed an application with the Board with respect to the negotiated amendments to the NWP and the tolls outlined in NEB Tariff No. 27.

On 9 November 1999, ISH filed another letter concerning the Board's 12 April 1999 decision and Enbridge (NW)'s proposed amendments to the allocation process. ISH stated that it did not agree with the Board's finding that "it could not deal with the complaint as it pertained to the years commencing in 1996 because "the *National Energy Board Act* does not allow retroactive rate making". ISH then indicated that "Unless Enbridge and the Board are prepared to deal with this situation for the time period from 1996 onwards, ISH Energy Ltd. respectfully requests that no changes be made to the 'Full Cost of Service Allocation Process' as it existed prior to ISH making its complaint."

On 22 December 1999, the Board advised ISH that it was considering the Company's 9 November 1999 letter as an application for review of the Board's decision. The Board informed ISH that, in order for the Board to review a decision, a doubt must be raised as to the correctness of the Board's original decision. The Board was of the view that no doubt had been raised in this case and, accordingly, decided not to review its 12 April 1999 decision.

On 22 December 1999, the Board approved Enbridge (NW)'s application dated 17 September 1999 of the negotiated settlement with respect to the amended terms of the NWP and the tolls outlined in NEB Tariff No. 27.

6. Maritimes & Northeast Pipeline Limited Partnership (M&NP) - Tolls (File 4775-M124-1-2)

On 14 October 1999, the Board approved an application dated 9 September 1999 from M&NP for interim tolls effective 1 November 1999. The Board also confirmed that all cost estimates and assumptions used in setting M&NP's interim tolls will be subject to review in a Part IV tolls proceeding. At that time, parties may examine all issues relating to these tolls. The Board also directed M&NP to file its application for final tolls on or before 28 February 2000. The Board sought the comment of interested parties on the interim toll application.

7. TransCanada PipeLines Limited (TCPL) - Reports of the 1999 Tolls Task Force (4775-T1-1-1/99)

TCPL applied for approval of several resolutions as contained in the above-noted reports. The Board approved the following:

Resolution No.	Date Approved	Subject
01.99	28 Jan. 1999	Receipt and Delivery Point Update
02.99	28 Jan. 1999	NEB Refund Disposition
03.99	28 Jan. 1999	Kamine Capacity
04.99	28 Jan. 1999	Performance of the Compulsory Compliance Audit
05.99	15 Feb. 1999	1999 Tolls Filing Delay
07.99	19 Mar. 1999	Interruptible Backhaul Transportation - Blanket Contract
08.99	30 April 1999	Parking and Loan Permanent Service
09.99	30 April 1999	Equity Financing of Mainline Assets
10.99	11 May 1999	Enhanced Pipeline Maintenance Program - 1999
11.99	16 June 1999	Portland Related Facilities
12.99	16 June 1999	Capacity Allocation
13.99	16 June 1999	Trans Quebec & Martimes Pipeline Inc. - 1999 Transmission by others expenses
14.99	25 June 1999	Incentive Audit Report
15.99	24 Sept.	Merger Costs and Benefits Agreement
16.99	23 Aug. 1999	System Access and Queuing Procedure
17.99	30 Nov.	Extension of Foreign Exchange and Interest Rate Management for the year 2000

8. Trans Québec & Martimes Pipeline Inc. (TQM) - Interim Tolls (File 4400-T028-4)

On 20 December 1999, the Board approved an application dated 10 December 1999 from TQM for interim tolls effective 1 January 2000.

9. Trans Mountain Pipe Line Company Ltd. (TMPL) - Financial Audit Report (File 4710-T4)

On 16 November 1999, the Board issued its final audit report for TMPL for the financial years ended 31 December 1996 to 1998.

10. Trans Mountain Pipe Line Company Ltd. (TMPL) - Interim Tolls (File 4400-T004-18)

On 21 December 1999, the Board approved an application dated 7 December from TMPL for interim tolls effective 1 January 2000.

11. Westcoast Energy Inc. (WEI) - Interim Transmission Tolls (File 4775-W005-1-1)

On 14 December 1999, the Board approved an application dated 9 December 1999 from WEI for approval of interim tolls effective 1 January 2000. WEI will apply prior to 1 March 2000 for final tolls.

Matters Under Consideration

12. Foothills Pipe Lines Ltd. (Foothills) on behalf of Foothills Pipe Lines (Alta.) Ltd., Foothills Pipe Lines (South B.C.) and Foothills Pipe Lines (Sask.) Ltd. - Year 2000 Operating and Maintenance Expense Budgets (File 4750-F6-2)

On 29 November 1999, Foothills applied, on behalf of the above noted subsidiaries, for approval of Operating and Maintenance Expense Budgets for the 12-month period ending on 31 December 2000.

On 23 December 1999, the Board advised Foothills that, before making a final decision on the applied-for budgets, it wished to consider Foothills' actual 1999 costs and the analysis of the 1999 operating and maintenance expense variances due to be filed with the Board in the Spring of 2000. Therefore, the Board decided to issue an interim order approving interim budgets for the year ending 31 December 2000 equal to 50 percent of the budgets submitted.

13. TransCanada PipeLines Limited (TCPL) - 1999 Tolls (File 4200-T1-13)

On 28 May 1999, TCPL filed an application for approval of its 1999 tolls. TCPL also requested that the tolls in the application be made interim effective 1 June 1999. On 31 May 1999, the Board approved the application for interim tolls.

The Board sought comments of interested parties on the application. The Board considered the comments received and on 5 July 1999 and decided that the granting of additional time for parties to try and resolve the issues presented is the most appropriate course of action. Accordingly, the Board deferred the setting down of a proceeding to consider the application until it has received further notice from TCPL.

On 13 December 1999, TCPL filed a revised application and Tolls Task Force Resolutions 18.99 and 19.99. On 22 December 1999, the Board decided, pending its final analysis of the application and the final resolution of complaints by those parties who provided comments, to approve, among other things, that TCPL's 1999 tolls remain interim pending a final decision of the Board.

14. TransCanada PipeLines Limited (TCPL) - 2000 Tolls (File 4200-T1-14)

On 17 December 1999, TCPL filed an application for approval of its year 2000 tolls. TCPL requested an order so that the current interim tolls in effect be terminated effective 31 December 1999, and that new interim tolls be made effective 1 January 2000 pending the release of the Board's final decision regarding 2000 tolls.

The Board approved the request for interim tolls. The Board decided to seek the comment of interested parties as to the level at which the interim tolls should be established. Based on the comments to be received, the Board will decide whether a further adjustment is required to the level of interim tolls.

FRONTIER MATTERS

1. Ranger Oil Limited (Ranger) - Declaration of Significant Discovery - MH-5-99 (File 9170-R706-1)

The Board will hold an in-camera oral hearing commencing on 14 February 2000 in Calgary with Ranger, Canadian Forest Oil Limited (CFO) and Chevron Canada Resources Limited (Chevron) regarding the Board's decision with respect to the issuance of a Declaration of Significant Discovery for the Ranger Unocal Fort Liard P-66A well.

On 17 December 1998, the Board received requests from Ranger, CFO and Chevron for a hearing in respect of a *Notice of Intention by the National Energy Board to Make a Decision concerning an application by Ranger, under the Canada Petroleum Resources Act*, that the Board issue a Declaration of Significant Discovery in respect of Discovery Well Ranger Unocal Fort Liard P-66A and Exploration Licences EL 36, EL 363 and EL 364 near Ft. Liard. The NEB Act requires the Board to convene a hearing to hear the representations of those directly affected persons who request a hearing.

On 6 October 1999, Board Staff, under the direction of the Board, held a pre-hearing conference to address the following:

1. the exchange of relevant information and measures to protect the confidentiality of information;
2. the procedures to be followed at the hearing; and
3. the timing for the hearing.

2. Other Activities During the Fourth Quarter of 1999

- (a) Approval to process offsite fluids was given to Imperial Oil Resources Ltd. pursuant to subsection 5(1)(b) of the *Canada Oil and Gas Operations Act* (COGOA) on 16 November 1999.
- (b) Approval for "Authority to Drill a Well" pursuant to section 83 of the *Canada Oil and Gas Drilling Regulations* (COGDR) was given to Suncor Energy Inc. on 15 December 1999 to drill the following wells:
 Suncor Netla H-77;
 Suncor Netla O-15;
 Suncor Netla P-16; and
 Suncor Netla B-06.
- (c) Application for approval of a "Commercial Discovery Declaration" was submitted on 15 October 1999 by Chevron Canada Resources pursuant to Part II.1 subsection 28.2 of the *National Energy Board Act* (NEB Act) and Part IV section 35 of the *Canada Petroleum Resources Act* (CPRA).
- (d) The Board approved the Chevron Canada Resources "Development Plan", pursuant to subsection 5.1(4) of the COGOA, subject to the consent of Governor in Council of Part I on 24 December 1999. The Board submitted Part I of the "Development Plan" to the Department of Indian and Northern Development asking them to submit that Part to the Governor in Council for approval.
- (e) Approval was given to Chevron Canada Resources for a waiver pursuant to subsection 115(a)(v) of the COGDR for the well Chevron et al Liard M-25 on 16 November 1999.
- (f) Approval was given to Canadian Forest Oil Ltd. for a waiver pursuant to subsection 70(1)(b) of the COGDR on 1 November 1999 for the following wells:
 CDN Forest et al. Fort Laird A-47;
 CDN Forest et al. Fort Laird H-46; and
 CDN Forest et al. Fort Laird P-45
- (g) Approval for "Authority to Drill a Well" pursuant to section 83 of the COGDR was given to Northrock Resources Ltd. to drill the following wells:
 Northrock et al. Mackay I-77 on 17 December 1999; and
 Northrock et al. Fall Stone F-01 on 22 December 1999.
- (h) The Board made a written declaration of "Commercial Discovery" pursuant to Part II.1 section 28.2 of the NEB Act and Part IV section 35 of the CPRA on 14 December 1999, in relation to those frontier lands discovered by the well Paramount et al Fort Liard F-36.

(i) Approval was given to Paramount Resources Ltd. for the following:

i) "Authority to Drill a Well" pursuant to section 83 of the COGDR on 22 October 1999 to drill the following wells:

Para *et al.* Liard O-35;

Para *et al.* Liard E-37;

Para *et al.* Liard M-25; and

Para *et al.* Liard I-46.

ii) "Authority to Drill a Well" pursuant to section 83 of the COGDR on 8 December 1999 to drill the following wells:

Para *et al.* Fort Liard L-24;

Para *et al.* Fort Liard A-47; and

Para *et al.* Fort Liard I-23.

iii) "Authority to Drill a Well" pursuant to section 83 of the Canada Oil and Gas Drilling Regulations on 15 December 1999 to drill the following wells:

Para *et al.* Fort Liard C-02;

Para *et al.* Fort Liard C-58; and

Para *et al.* Mount Coty I-02

iv) An extended formation flow test pursuant to section 5.6 of the COGOA on 30 November 1999 for the following wells:

Paramount *et al.* Cameron L-47; and

Paramount *et al.* Cameron M-73;

(j) Seven new applications for geological, geophysical or geotechnical operation authorization were received. Three applications and one amendment to a previously authorized operation have been approved pursuant to section 5 of the COGOA as follows:

Company	Area	Date
IEXCO	Liard	03-Nov-1999
Anderson Exploration	Nahanni Butte	16-Dec-1999
Geoterrex	Liard	12-Oct-1999
Canadian Forest - Amendment	Maxhamish	01-Nov-1999

The remaining applications are being reviewed.

Appeals and Reviews

Appeals completed

1. *Union of Nova Scotia Indians et al - Maritimes & Northeast Pipeline Management Ltd. (M&NP)*

(Refer to item 5 under Pipeline Matters, Matters Completed.)

On 20 October 1999, the Federal Court of Appeal decided to quash the Board's decision that M&NP had satisfied Condition 22 of the Certificate of Public Convenience and Necessity GC-95 which authorized the construction of a natural gas pipeline from Goldboro, Halifax to St. Stephen, New Brunswick. Condition 22 of Certificate GC-95 reads as follows "The Company shall submit to the Board a written protocol or agreement spelling out Proponent-Aboriginal roles and responsibilities for cooperation in studies and monitoring." The Court decided that "the matter be remitted to the Board for redetermination of whether Condition 22 is satisfied, after hearing from the applicants as to their position on the "Protocol" and agreement in principle submitted by the respondents to the Board on September 30, 1998 and giving the respondents an opportunity to respond."

On 12 November 1999, the Union of Nova Scotia Indians et al had applied to the Federal Court of Appeal for a judicial review of the Board's decision regarding Condition 22.

2. *Rocky Mountain Ecosystem Coalition (RMEC) v. the National Energy Board (NEB) and the Attorney General of Canada Representing the Minister of Agriculture, the Minister of Fisheries and Oceans, the Minister of Natural Resources and the Minister of the Environment, Alliance Pipeline Ltd.*

On 24 November 1999, RMEC abandoned its motion to transfer its judicial review application, thus terminating this proceeding.

On 11 January 1999, RMEC filed with the Federal Court Trial Division two applications for judicial review. The two applications were filed with respect to the regulatory proceedings regarding the Alliance Pipeline Project which consisted of both a comprehensive study report under the *Canadian Environmental Assessment Act* (CEAA) and a regulatory proceeding under the NEB Act. The first application sought a *mandamus* against the Prairie Farm Rehabilitation Administration and the Department of Fisheries and Ocean as it alleged they failed to conduct an environmental assessment as is required under the CEAA. The second application sought to quash the decision of the NEB on the grounds of natural justice.

On 5 July 1999, the Federal Court Trial Division heard a motion by the Attorney General of Canada seeking to have the two applications dismissed. A Court Prothonotary

dismissed one application and directed that a transfer motion be brought in respect of the other application.

Appeals Pending

3. *Alberta Department of Energy (ADOE) - Northstar Energy Corporation (NEC) - GH-1-98*

On 25 May 1998, the ADOE applied to the Federal Court of Appeal for leave to appeal a ruling of the Board dated 24 April 1998 in which it dismissed a motion by the ADOE challenging the Board's jurisdiction to hear an application by NEC to construct a pipeline on the grounds that the NEC application involved a local work and undertaking, rather than an extraprovincial work and undertaking.

The ADOE also applied to the Board for a Stay of Execution of the Board's Decision GH-1-98. On 4 June 1998, the Board denied the application for a Stay of Execution. Subsequent to the Board's dismissal of the stay application, ADOE, on 24 June 1998, filed with the Federal Court of Appeal an application for leave to appeal the Board's decision dated 24 April 1998.

The Federal Court granted the leave to appeal and stayed the Board's GH-1-98 Decision. An appeal has been filed and is pending before the Court. It is now proposed that the appeal will be discontinued and the Board anticipates that a Notice of Discontinuance will be filed by the Appellant.

4. *The Industrial Cape Breton Community Alliance Group (the Alliance) on the Sable Gas Project*

On 25 November 1997, the Alliance filed an Originating Notice of Motion with the Federal Court of Canada, Trial Division for the purpose of having the Joint Public Review Panel Report dated 27 October 1997, and the Report of the Commissioner for the Canada-Nova Scotia Offshore Petroleum Board dated 27 October 1997, reviewed, set aside and referred back to the Joint Panel and the Commissioner and that they direct Sable Offshore Energy Project to file a socio-economic impact study incorporating an economic cost-benefit analysis and the environmental effects of the project on Cape Breton. On the same date, the Alliance filed a similar Originating Notice of Motion with the Federal Court of Appeal. Proceedings have been consolidated in the Federal Court, Trial Division. This judicial review application was heard in May in Halifax. Judgement has been reserved by the Court.

5. *British Columbia Wildlife Federation and the Steelhead Society of British Columbia (BC Wildlife et al) v. British Columbia Hydro and Power Authority (BC Hydro)*

The BC Wildlife *et al.* filed an application with the Federal Court of Appeal for leave to appeal a decision of the Board dated 6 January 1999 in which it issued an export permit to

BC Hydro to allow it to undertake certain export arrangements. Leave to Appeal was granted by the Court and a Notice of Appeal was served on the Board on 19 May 1999. No date for hearing has been established.

6. *Athabasca Chipewyan First Nation v. British Columbia Hydro and Power Authority*

The Athabasca Chipewyan First Nation filed an application with the Federal Court of Appeal for leave to appeal a decision of the Board dated 6 January 1999 in which it issued an export permit to BC Hydro to allow it to undertake certain export arrangements. Leave to Appeal was granted by the Court and a Notice of Appeal was served on the Board on 1 June 1999. No date for hearing has been established.

Reviews Completed

1. *Assembly of Nova Scotia Mi'kmaq Chiefs, Union of Nova Scotia Indians and the Confederacy of Mainline Mi'kmaq (NSMC et al) - Maritimes & Northeast Pipeline Management Ltd. - Halifax Lateral (File 3200-M124-3)*

On 12 November 1999, the NSMC *et al.* requested that the Board review its decision in respect of Conditions 20 and 21 of the proposed certificate for the construction of the Halifax Lateral.

Condition 20 of the Halifax Lateral certificate concerns negotiations between M&NP and the Assembly of Nova Scotia Mi'kmaq Chiefs regarding the process for consultations and input of the Assembly with respect to the construction of the project. Counsel for the NSMC *et al.* was concerned about the wording "construction of the project" in Condition 20 and questioned whether the omission of "the pipeline construction and operation" in the certificate was inadvertent. Counsel for the NSMC *et al.* was also concerned that the time allotted for good faith negotiations to take place was too short.

On 23 November 1999, the Board advised the NSMC *et al.* that it had re-designated the original hearing panel and referred to that panel for its review the NSMC *et al.* suggestion that the Board's limited terminology in Condition 20 may have been inadvertent. The panel reported to the Board that the omission from Condition 20 of the words "operation and decommissioning" was not inadvertent.

On the same date, the Board also advised the NSMC *et al.* that in their submission the Board noted that it appears that they may have other submissions in regard to Condition 20 and they had not made any submissions in the text of their letter on Condition 21. The Board stated that it was unclear as to whether or not the NSMC *et al.* were requesting a review of Condition 21. The Board further noted that the application for review is not in conformity with section 44 of the Board's Rules of Practice and Procedure, 1995 (the Rules)

which sets out the requirements for an application for review pursuant to subsection 21(1) of the NEB Act.

As a result of the matters outlined above, the Board decided that it was not prepared to proceed with the request for a review. However, since the Board has not made any substantive decision regarding the application, should the NSMC *et al.* decide to re-file a request for review in accordance with section 44 of the Rules, the Board would be willing to consider the application at that time.

2. Heartland Resources Inc. (Heartland) - Mobil Oil Canada Ltd. (Mobil) - Goldboro Gas Plant (File 3200-M122-1-1)

On 30 November 1999, the Board dismissed an application from Heartland seeking a review of Mobil's application dated 15 January 1998 and the Board's decision regarding an exemption from filing the Plan, Profile and Book of Reference regarding the construction of the slugcatcher and the gas plant at Goldboro, Nova Scotia. The exemption had

the effect of allowing the construction of the project without the necessity of a detailed route hearing process.

In its application, Heartland stated that by virtue of its mineral exploration licence it had an interest in the subject lands, but had not received notice of the application for exemption. Heartland's position was that Mobil's failure to give notice, deprived Heartland of its rights under the *National Energy Board Act*.

The Board noted that Heartland has not previously sought a review or any other remedy from the Board either before or during construction, despite being aware of the intended location of the plant since 17 March 1998. Mobil has acted on the order and has completed its project. Therefore, the Board was of the view that the questions raised in Heartland's application had been rendered moot by the passage of time and the construction of the gas plant. As a result, the Board has decided to dismiss Heartland's application for review.

Amendments to Guidelines and Regulations

Amendments to the Board's guidelines and regulations completed or in various stages of preparation, include the following:

1. Processing Plant Regulations (PPR) (File 185-A000-13)

The Board is proposing new goal-oriented *Processing Plant Regulations* to complement the *Onshore Pipeline Regulations, 1999*. The PPR, when promulgated, will govern the design, construction, operation, and abandonment of processing plants which are owned and operated by federally regulated companies and whose function is integral with respect to transportation. Such facilities are presently regulated under the *Onshore Pipeline Regulations, 1999*. The Board believes that this goal-oriented regulations approach promotes increased industry responsibility and allows for flexibility, efficiency, and the opportunity to adopt improved operational and safety techniques in a more timely manner. The use of widely accepted standards and procedures, such as those published by the Canadian Standards Association, is encouraged to meet the objectives of the Regulations. The accompanying Guidance Notes will provide clarity, practical advice, and suggestions to facilitate compliance with the Regulations. Draft Regulations have been sent to Justice for examination under the *Statutory Instruments Act*.

On 16 December 1999, the Board issued for comment by interested parties *Draft Guidance Notes for the Processing Plant Regulations*. Written comments are requested by 26 February 2000.

2. National Energy Board Rules of Practice and Procedure, 1995 (the Rules) (File 341-A000-2)

The Board is moving towards the implementation of Electronic Regulatory Filing (ERF). An analysis of the legal issues surrounding implementation of ERF has been prepared and is available on the Board's internet site (<http://www.neb.gc.ca>). Regulations under the *National Energy Board Act* and the *Canada Oil and Gas Operations Act* (COGOA) have been examined. The most extensive changes are to the Rules. Amendments to the Rules will enable parties to file all required regulatory documentation via electronic means. Changes to the other regulations are largely of an administrative nature - for example specification of one, rather than a multitude of copies. These minor changes will be included in revisions to the COGOA regulations which are proposed in the near future.

Comments were invited from interested parties by 31 December 1999 on the proposed changes to the Rules (see the Internet site under What's New!) and to suggest any provisions they may want to see included in the amendments. The Board recognizes that it may be desirable to meet to discuss the proposed changes in a workshop setting which allows interaction with Board staff and other interested parties. Therefore, the Board would consider sponsoring a workshop in Calgary during January 2000 if requested by a sufficient number of respondents.

3. Cost Recovery Regulations (CRR) (File 620-A000-8)

The Board recovers the majority of its operating costs from the regulated industry as prescribed under the CRR. The CRR have been in force since 1991. The Auditor General, in its report to Parliament dated September 1998, recommended that the Board undertake a review of the CRR.

The Board discussed amendments to the CRR with the regulated industry through the Cost Recovery Liaison Committee and sought comments from the public. The Committee consensus is that the industry is essentially satisfied with the current regulations and would prefer to make only moderate changes to address specific concerns. Significant changes include: extension of CRR to include commodity pipelines, charge for hearing of new pipeline applications, and a cap on annual charges to a pipeline company.

4. Canada Oil and Gas Diving Regulations (Diving Regulations) and Guidance Notes (File 2001-1)

The Board is proposing replacing the existing Diving Regulations with goal-oriented Diving Regulations. Instead of specifying various aspects of the diving operations, these new Regulations put the responsibility on the Operators to develop and demonstrate how their dive plan specifications and procedures meet the objectives of the Regulations. The use of widely accepted standards and procedures, such as those published by the Canadian Standards Association, is encouraged to meet the objectives of the Regulations. The accompanying Guidance Notes will provide clarity, practical advice, and suggestions to facilitate compliance with the Regulations. The Board believes that this approach promotes increased industry responsibility and allows for flexibility, efficiency, and the opportunity to adopt improved operational and safety techniques in a more timely manner.

Draft Regulations have been sent to Justice for examination under the Statutory Instruments Act.

5. Canada Oil and Gas Drilling, Production, and Conservation Regulations (File 0406-14)

The *Canada Oil and Gas Drilling Regulations* and the *Canada Oil and Gas Production and Conservation Regulations* are being updated and re-structured into one Regulation covering drilling, production, and conservation.

6. Regulations and Guidelines Pertaining to Canada Oil and Gas Operations Act

The process of creating and amending regulations pertaining to oil and gas activities, under the provisions of the *Canada Oil and Gas Operations Act*, proclaimed in force in September 1992, is continuing. At present, the regulatory agenda is as follows:

Regulations and Guidelines being drafted:

Newfoundland Offshore Area Petroleum Safety Regulations

Nova Scotia Offshore Area Petroleum Safety Regulations

Regulations Amending Certain Regulations Made Under the Canada Oil and Gas Operations Act (Miscellaneous Program)

Canada Offshore Oil and Gas Installation Manager Regulations

Regulations Amending the Canada Oil and Gas Certificate of Fitness Regulations

7. Regulations and Guidance Notes Pertaining to Canada Labour Code, Part II

The process of amending *Canada Oil and Gas Occupational Safety and Health Regulations* pertaining to oil and gas activities, under the provisions of the *Canada Labour Code, Part II*, is continuing.

Administrative Matters

Appointments

On 3 December 1999, **Kenneth W. Vollman** was reappointed as Chairman of the Board for a seven-year term. Mr. Vollman has been a member of the Board since 1988 and served as Vice Chairman for three years. He was appointed Chairman in 1998. He also worked on staff from 1973 until he was appointed to the Board.

Before joining the Board, Mr. Vollman worked at Mobil Oil Canada, Ltd. He holds a Master of Science degree in Mechanical Engineering from the University of Saskatchewan and has published numerous documents on energy matters.

On 8 December 1999, the Minister of Natural Resources Canada appointed **Dr. Henry A. Regier** as a temporary member of the Board to participate in the Joint Panel Review

of the Canadian Millennium Pipeline Project (CMPP). Two permanent Members of the Board will sit on the Joint Review Panel.

The CMPP consists of an onshore natural gas pipeline from Dawn, Ontario, to the shore of Lake Erie near Patrick Point and an offshore pipeline across Lake Erie to the international border under the lake, where it would connect with a U.S.-sponsored pipeline. The Joint Panel Review will assess the project under the *Canadian Environmental Assessment Act* and the *National Energy Board Act*.

Dr. Regier has a doctorate in fisheries science and resource economics from Cornell University, New York. Until 1995, he was a Professor of zoology and environmental studies at the University of Toronto and continues as Professor Emeritus. He has worked on Lake Erie issues since 1961 and

was recognized for those activities by the International Association of Great Lakes Research. He has also been recognized for his work on aquatic ecosystems by the Royal Society of Canada, the Federation of Ontario Naturalists and the American Fisheries Society.

Speech

Canada's Natural Gas Supply: A National Prospective, a presentation by Kenneth W. Vollman, Chairman, to the Ziff Energy Group North American Gas Strategies Conference held in Calgary, Alberta on 8 November 1999 (slides only).

Documents Issued - 1 October to 31 December 1999

Reasons for Decision

Maritimes and Northeast Pipeline Management Ltd. - Halifax Lateral - GH-2-99 - October 1999

Maritimes & Northeast Pipeline Management Ltd. - Saint John Lateral - GH-4-99 - November 1999

Instructions for Filing

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 444 Seventh Avenue SW, Calgary, AB T2P 0X8; Telephone (403) 292-4800; Fax (403) 292-5503.

Appendix I lists the number of copies required for the different types of applications.

Telephone Numbers

Appendix II lists the telephone number of Board Members and key staff.

Web Site

Internet users are invited to visit the Board's Internet home page at <http://www.neb.gc.ca>.

National Energy Board
Michel L. Mantha
Secretary

For information:

Denis Tremblay
Tel: (403) 299-2717
Email: dtremblay@neb.gc.ca

For copies of documents:

Publications Office
Tel: (403) 299-3562
Fax: (403) 292-5503
Email: orders.neb.gc.ca

Appendix I

Number of Copies Required for Filings

Applicants are requested to provide the following number of copies of their applications or other filings to the National Energy Board. For matters not listed below, one copy is sufficient.

Type of Application or Filing	No. of Copies	Type of Application or Filing	No. of Copies
(a) Hearing Matters		(iii) Oil Exports	
(i) Certificates		Registered Oil Export Orders	05
Pipeline	25	(iv) Tolls	
Power Line	20	Class I and II Adjustments	20
(ii) Export Licences		Interim Orders	20
Natural Gas	25	Operating and Maintenance Budgets	20
Electricity	20	Changes in Depreciation Rates	20
(iii) Tolls	25	Quarterly Surveillance Reports	20
(iv) Land Acquisitions	20	New or Changed Tariffs	20
(b) Non-Hearing Matters		Domestic Gas Sales Contracts and Amendments	20
(i) Natural Gas		Amendments to Tariff Orders	20
Export Orders	20	(v) Pipelines and Power Lines	
Orders for Transmission Access	20	Permits	15
Licence Amendments	20	Exemption Orders Pipelines (Sec. 58)	20
Amendments to Export Contracts	20	Certificate Amendments	20
Licence Revocations	20	Leave to Sell or Transfer	20
(ii) Electricity Exports		Incident Reports	20
Permits	15	(vi) Other	
Licence or Permit Amendments	15	Application for Review	20
Licence or Permit Revocations	15		

The number of copies of interventions or submissions to be provided in response to applications will be specified in the applicable hearing order. Parties who would find the provision of multiple copies an undue financial burden may file one copy, with a request to be excused from multiple filing.

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 444 Seventh Avenue S.W., Calgary, AB T2P 0X8 Telephone (403) 292-4800; Fax (403) 292-5503.

Appendix II

Selected List of Telephone Numbers (Area Code 403)

General Information	292-4800
Incident Reporting Number	1-800-632-1663
	1-800-NEB-1-ONE
Publication Office	Tel: 299-3562
	Fax: 292-5503
	Email: http://www.orders@neb.gc.ca
Web Site	http://www.neb.gc.ca

Board Members

Chairman	Kenneth Vollman	299-2730
Executive Assistant/Team Leader	Carmen Morin	299-2725
Vice Chairman	Judith A. Snider	299-2737
Assistant	Lillian Handleman	299-2741
Member	Rowland J. Harrison	299-2736
Assistant	Margaret Merta	299-2726
Member	John S. Bulger	299-3666
Assistant	Geraldine Green	299-2728
Member	Jean-Paul Théorêt	299-2724
Assistant	Louise Niro	299-2734
Member	Elizabeth Quarshie	299-2739
Assistant	Louise Niro	299-2734
Member	Deborah Emes	299-2729
Assistant	Geraldine Green	299-2728
Member	Carmen Dybwad	299-2740
Assistant	Margaret Merta	299-2726

Executive Office

Chief Operating Officer		
Admin. Assistant	Gaétan Caron	299-2700
	Jan Dane	299-2701

Professional Leaders

Environmental	Bonnie Gray	299-3675
Engineer	Frank Gareau	299-3178
Economics	Glenn Booth	299-3621

Office of the Secretary

Secretary and Team Leader Regulatory Operations		
	Michel Mantha	299-2714
Regulatory correspondence Administrator		
	Chantale Painchaud	299-2731

Legal Services

General Counsel	Judith Hanebury Q.C.	292-6497
Counsel	Peter Noonan	299-3552
Counsel	Guiseppe Bentivegna	299-3552
Paralegal/Administrator		
	Susan Gudgeon	299-2704
Counsel	Margery Fowke	299-2708
Counsel	Lori Ann Boychuk	299-2709
Counsel	Peter Enderwick	292-4104
Paralegal	Helen Benes	299-3551
Counsel	Claire McKinnon	299-2707
Counsel	Christine Beauchemin	292-6489
Counsel	Gino Grondin	292-6495
Counsel	Guy Delisle	299-3937
Paralegal	Caroline Healy	292-6540

Information Management Business Unit

Acting Business Unit Leader

Byron Goodall	299-2711
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Technical Project Manager, Electronic Regulatory Filing

Margaret Harper	299-3613
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Communications

Acting Team Leader	Ross Hicks	299-3930
Communications Officer	Denis Tremblay	299-2717
Reception		292-4800

Library

Acting Team Leader	Susan Yanosik	299-3932
Library, Information		299-3561

Applications Business Unit

Business Unit Leader Brenda Kenny 299-3565
TransCanada PipeLines Limited and Trans Québec & Maritimes Pipeline Inc.

Team Leader Steve Brown 299-3653

Westcoast Energy Inc. and Trans Mountain Pipe Line Company Ltd.

Team Leader Hans Pols 299-3189

Enbridge Pipelines Inc., Trans-Northern Pipelines Inc. and Express Pipeline Ltd.

Acting Team Leader Sandy Harrison 299-3673

Alberta Natural Gas Company Ltd, Foothills Pipe Lines Ltd. and Alliance Pipeline Ltd.

Acting Team Leader Chantale Simons 299-3888

Cochin Pipe Lines Ltd., Maritimes and Northeast Pipeline Management Ltd., Natural Gas Liquids Pipelines and Exports

Team Leader Gurdeep Gill 299-3659

Commodities Business Unit

Business Unit Leader Terrance Rochefort 299-3646

Commodity Convergence

Team Leader Jawed Aziz 299-3630

Gas

Team Leader Bill Bingham 299-3198

Oil

Team Leader Barry Lynch 299-3197

Electricity

Team Leader Julian Emanuel 299-3186

Resource Assessment

Team Leader Jim Davidson 299-3135

Operations Business Unit

Business Unit Leader John McCarthy 299-2766

Health, Safety and Environment

Team Leader Wayne Marshall 299-3901

Exploration and Development

Team Leader Terry Baker 299-2792

Regulatory Development

Team Leader Bharat Dixit 299-3903

Pipeline Accident Investigation

Team Leader Paul Trudel 299-2768

Construction Compliance

Team Leader Christine van Egmond 299-2783

Corporate Services Business Unit

Acting Business Unit Leader

Christine Elder 299-3698

Human Resources Development

Team Leader Christine Elder 299-3698

Labour Management

Team Leader Earl Schultz 299-3620

Planning and Reporting

Team Leader Peter Schnell 292-6137

Appendix III

Section 58 Applications

The Board has approved or is considering several applications under section 58 of the NEB Act involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. These matters may be considered by the Board without a public hearing.

Gas Pipelines

Applicants	File/Order Nos.	Application	Est. Cost
AEC Suffield Gas Pipeline Inc.	File: 3400-A163-2 Order: XG-A163-69-99	Application dated 30 September; approved on 7 December. Construct approximately 6.2 kilometres of pipeline from Alberta to Saskatchewan.	543 950
Alliance Pipeline Ltd.	File: 3400-A159-1; Order: XG-A159-80-99	Application dated 22 November; approved 17 December. Install temporary purge gas facilities for the commissioning of its system.	160 000
Canadian Hunter Exploration Ltd.	File: 3400-C087-9 Order: XG-C087-76-99	Application dated 28 June; approved on 8 December. Construct approximately a 0.4-kilometre long pipeline from British Columbia to Alberta. On 23 July, the Board sent a letter to the company requesting additional information.	118 725
	File: 3400-C087-10 Order: XG-C087-77-99	Application dated 10 November; approved on 9 December. Construct approximately 9.9 kilometres of pipeline from British Columbia to Alberta.	1 183 074
Duke Energy Midstream Services Ltd.	File: 3400-D66-1 Order: XG-D66-56-99	Application dated 13 July; approved on 8 October. Construct approximately 21 kilometres of pipeline from West Doe area of British Columbia to Duke's Pouce Coupe Gas Plant in Alberta.	2 600 000
Foothills Pipe Lines Ltd.	File: 3400-F6-28 Order: XG-F6-65-99	Application dated 14 September; approved on 19 October. Excavate and re-coat six underground cooling water piping risers at Station 369.	104 000
	File: 3400-F6-29 Order: XG-F6-66-99	Application dated 15 September; approved on 19 October. Install a pipe clamp and support beam at Station 392.	21 000
	File: 3400-F6-30 Order: XG-F6-72-99	Application dated 4 October; approved on 2 November. Install acoustic insulation on above-grade high-pressure piping at Compressor Station 369 (Empress Decompression / Recompression Facility).	245 000
Many Islands Pipe Lines (Canada) Limited	File: 3400-M29-29 Order: XG-M29-63-99	Application dated 7 September; approved on 1 October. Construct a natural gas tap-off riser.	25 200
	File: 3400-M29-30 Order: XG-M29-67-99	Application dated 27 September; approved on 14 October. Complete modifications to existing piping at a meter station.	14 000
Murphy Oil Company Ltd.	File: 3400-M23-14 Order: XG-M23-68-99	Application dated 10 June; approved on 14 October. Sever the Cactus-Bodo pipeline in three sections, add risers, valves and a bend.	50 000
TransCanada PipeLines Limited	File: 3400-T1-174 Order: XG-T1-73-99	Application dated 22 October; approved on 12 November. Install telecommunication towers and associated equipment at Compressor Stations 69 and 84.	342 000
	File: 3400-T1-176 Order: XG-T1-81-99	Application dated 26 November; approved on 22 December. Pipe replacement projects.	6 802 000

Gas Pipelines

Applicants	File/Order Nos.	Application	Est. Cost
Westcoast Energy Inc.	File: 3400-W5-227 Order: XG-W5-64-99	Application dated 14 September; approved on 1 October. Install a water analyser on the Ekwan pipeline in the Fort Nelson raw gas transmission system.	243 000
	Files: 3400-W5-217 & 205 Order: XG-W5-62-99	Application dated 5 August; approved on 28 October. Upgrade Meter Station 66 at the McMahon Plant near Taylor, B.C.	627 000
	File: 3400-W5-231 Order: XG-W5-71-99	Application dated 18 October; approved on 1 November. Construct a meter station, MS-110 near Fort St. John, B.C.	381 000
	File: 3400-W5-230 Order: XG-W5-74-99	Application dated 6 October; approved on 9 November. Taylor slop monitoring upgrade.	100 000
	File: 3400-W5-229 Order: XG-W5-75-99	Application dated 22 September; approved on 10 November. Install a water analyser on the Wapiti pipeline in the Grizzly Valley raw gas transmission system.	317 000
	File: 3400-W5-232 Order: XG-W5-78-99	Application dated 17 November; approved on 15 December. Install a water analyser building at receipt point 979.	50 000 To be paid by the producer
	File: 3400-W5-233 Order: XG-W5-79-99	Application dated 25 November; approved on 30 December. Install producer taps at Fort Nelson, Fort St. John and Grizzly Valley.	950 000

Oil Pipelines

Applicants	File/Order Nos.	Application	Est. Cost
Enbridge Pipelines Inc.	File: 3400-E101-17 Order: XO-E101-28-99	Application dated 11 November 1999. Nineteen projects.	11 444 100
	Files: 3400-E101-18 & 19 Order: XO-E101-29-99	Application dated 15 November; approved on 9 December. Replace impressed current groundbed along the Shell Lateral in Sarnia, Ontario. Construct three buildings and install sampling and density measurement equipment at the Edmonton Terminal.	1 004 4000
Sun-Canadian Pipe Ligne Company Limited	File: 3400-S18-6 Order: XO-S18-26-99	Application dated 17 November; approved on 3 December. Pipe replacement.	90000
Trans Mountain Pipe Line Company Ltd.	File: 3400-T4-66 Order: XO-T4-24-99	Application dated 9 August; approved on 6 October. Construct a storage building at the Hope and Sumas stations and replace and align fender faces at the Westridge Terminal dock.	Not available
Trans-Northern Pipelines Inc.	File: 3400-T2-39 Order: XO-T2-25-99	Application dated 23 September; approved on 8 October. Install a block valve near Grace Creek Road in Osgoode Township, Ontario and remove an above-ground spool and subsequent replacement near Bowesville Road in Gloucester Township, Ontario.	140 000

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament. Over the course of its history, it has played an important role in the development of Canada's energy sector.

The Board's regulatory powers under the *National Energy Board Act* include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and designated interprovincial and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment, and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by the Ministry of Labour to administer Part II of the *Canada Labour Code*.

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as represented by the National Energy Board

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par l'Office national de l'énergie

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Regulatory Agenda

The period covered in this Regulatory Agenda is 1 January to 31 March 2000

NOTICE

The Board is discontinuing the issuance of its quarterly *Regulatory Agenda*. This is the last edition. Starting in May, the Board will issue a monthly *Regulatory Agenda* which will be available on the Internet site (www.neb.gc.ca) five days following the end of the month being reported (April 2000 being the first month to be reported). Parties wishing to access the *Regulatory Agenda* are encouraged to do so via the Internet.

Although the Board wishes to eliminate the practice of mailing out the *Regulatory Agenda*, it is prepared, for those persons who do not have access to the Internet, to make copies of the monthly *Regulatory Agenda* available by mail. Please notify the Board as soon as possible to be placed on the mailing list. The Board is eliminating its current *Regulatory Agenda* mailing list.

WORKSHOP - AWARENESS 2000

National Energy Board and American Petroleum Institute

From 30 April to 2 May 2000 in Niagara Falls, ON.

The Board and the American Petroleum Institute (API) will hold the first North American Public Awareness Workshop for buried pipelines. In maintaining Canada and the United States's international recognition as leaders in the pipeline industry, representatives of industry from both countries will share best practices and present achievements on aspects of public awareness programs.

The Board and the API are committed to public engagement at Awareness 2000 and extend this invitation to Federal, Provincial and Municipal Planning authorities, Municipal representatives, landowners, landowner associations, buried facility companies, the excavating community, One Call and First Call agencies.

Please visit the Board's Internet Site at <http://www.neb.gc.ca> under the heading *Safety & Environment* to obtain more information. The site will be updated on a monthly basis. For background information and the books of proceedings of previously held public awareness workshops in Canada,

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PREFACE

The purpose of this quarterly agenda is to provide information on the Board's activities.

Except where otherwise noted, jurisdiction over the items listed in the agenda is exercised pursuant to the National Energy Board Act, R.S.C. 1985, c.N-7, as amended.

**"We promote Safety,
Environmental Protection and Economic
Efficiency"**

National Energy
Board



Office national
de l'énergie



MAY 16 2000

National Energy Board

see our Internet site under *Safety & Environment* (Awareness '97 Workshop and Awareness '98 Workshop).

For more information, please contact:

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Public Hearing Applications

Decision Rendered

1. *Western & Pacific Pipelines Inc. (W&P) on behalf of Pipestone Pipelines Ltd. (Pipestone) - Operation of a Pipeline - OHW-1-99 (File 3200-P176-1)*

Reasons for Decision dated February 2000; issued on 10 February 2000.

The Board approved an application by W&P, on behalf of Pipestone, to operate a 70-kilometre (43.5-mile) 219.1-millimetre (eight-inch) diameter crude oil pipeline from the Red Jacket Terminal near Moosomin, Saskatchewan to the Enbridge Pipelines (Virden) Inc. terminal near Cromer, Manitoba.

The Board considered the application by way of written submissions.

Decision Pending

1. *TransCanada PipeLines Limited (TCPL) - Amendments to the Interruptible Service (IT) and Short Term Firm Transportation (STFT) Toll Schedules - RH-1-99 (File 4775-T001-1-11)*

The Board held a public hearing from 18 January to 1 February 2000 in Calgary on an application by TCPL for approval of amended IT and STFT toll schedules.

The purpose of the proposed tariff amendments is to modify the methodology currently used by TCPL to price and allocate IT and STFT services. The amended toll schedules would implement a mechanism under which capacity that is available to be used for the provision of the two services would continue to be allocated through a bidding process. However, the new mechanism would permit TCPL to establish, prior to the bidding process for available capacity, a minimum bid price, below which TCPL would not be obligated to accept bids.

Hearing in Progress

1. *Husky Oil Operations Limited (Husky) - Amendments to Natural Gas Export Licence GL-214 - GHW-1-2000 (File 7200-H012-4-2)*

The Board is holding a written hearing on an application from Husky to extend the term of an existing natural gas

export licence for one year, from 31 October 2006 to 31 October 2007, and to increase the volumes to be exported under the licence.

Under the existing licence, Husky exports natural gas to Midland Cogeneration Venture Limited Partnership which operates a cogeneration facility in Midland Michigan. The natural gas is produced from Husky's corporate supply pool and is exported from Emerson, Manitoba.

Hearings Scheduled

1. *St. Clair Pipelines (1996) Ltd. (St. Clair) - TransCanada PipeLines Limited (TCPL) - Pipeline Projects in Ontario - Collectively Known as the Canadian Millennium Pipeline Project - GH-1-2000 (Files 3200-S119-1 and 3200-T001-15)*

The Joint Review Panel for the Canadian Millennium Pipeline Project will hold a public hearing commencing on 5 September 2000 in London, Ontario on two applications to construct and operate natural gas pipelines in southwestern Ontario.

In December 1998, St. Clair applied to construct and operate the Millennium West Pipeline; a 914 millimetre (36 inch) pipeline extending 74 kilometres (58 miles) from a point near Sarnia, Ontario to the shore of Lake Erie, near Patrick Point, 25 kilometres (15 miles) southwest of Port Stanley. In the same month, TCPL applied to construct and operate the Lake Erie Crossing Pipeline; a pipeline that interconnects with the Millennium West Pipeline at Patrick Point and extends 97 kilometres (60 miles) across Lake Erie to connect with the proposed Millennium Pipeline Company, L.P. facilities at the international border beneath the waters of Lake Erie. The two pipeline projects together are known as the Canadian Millennium Pipeline Project.

The initial capacity for the facilities would allow deliveries of 19.83 million cubic metres (700 million cubic feet) per day of natural gas on a firm or interruptible basis. The companies have also applied for related toll and tariff authorizations.

To coordinate the environmental assessment required under the *Canadian Environmental Assessment Act* (the CEA Act) and the *National Energy Board Act* (the NEB Act), and to avoid unnecessary duplication of regulatory processes, the hearing

will be conducted by a Joint Review Panel. The panel will act as a joint review panel under the CEA Act to make recommendations and as a Board under the NEB Act to determine all matters relevant to the applications.

In accordance with the *Agreement Between the National Energy Board and the Minister of the Environment Concerning Review of the Canadian Millennium Pipeline Project*, dated 15 November 1999, the panel will conduct public consultation sessions to assist it in the formulation of issues that should be considered and to receive comments on the information to be requested of the applicants. The public consultation sessions will be held on 11 April at Glencoe, Ontario and on 13 April at Port Stanley, Ontario. At 5:00 p.m. on each of these days, staff will be available to assist interested persons, to explain hearing procedures and to answer related questions.

2. Maritimes & Northeast Pipeline Management Ltd.'s (M&NP) - Saint John Lateral - Detailed Route Hearing - MH-2-2000 (File 3200-M124-2-2)

The Board will hold a public hearing in response to two written statements of opposition concerning a portion of M&NP's proposed detailed route for the Saint John natural gas pipeline lateral. The hearing will commence on Thursday, 27 April 2000 at a location in New Brunswick to be announced at a later date.

On 16 December 1999, the Board issued a certificate to M&NP to construct and operate the Saint John Lateral. At that time the Board also approved the general route of the pipeline. M&NP subsequently applied to the Board for approval of plans showing the proposed detailed route of the pipeline. In addition, the company served notices on owners of lands proposed to be acquired and published notices in newspapers in the vicinity of the proposed detailed route. Landowners and other interested persons had 30 days in which to file an objection with the Board. Two written statements of opposition were received by the Board.

The Saint John Lateral will consist of approximately 102 kilometres (63 miles) of 406.4-millimetre (16-inch) outside diameter pipeline from M&NP's mainline near Big Kedron Lake, New Brunswick to the City of Saint John. M&NP will also construct approximately eight kilometres (five miles) of 114.3-millimetre (four-inch) outside diameter pipeline from a point on the lateral to the Lake Utopia area. *Maritimes & Northeast Pipeline Management Ltd. on behalf of Maritimes & Northeast Pipeline Limited Partnership (M&NP) - Tolls (File 4775-M124-1)*

The Board will hold a public hearing commencing on 26 June 2000 in Halifax, Nova Scotia on an application from M&NP for the approval of final tolls for the transportation of natural gas on its system for the period 1 December 1999 to 30 September 2000.

On 14 October 1999, the Board had approved an application from M&NP for interim tolls effective 1 November 1999. The Board also confirmed at that time that all cost estimates and assumptions used in setting M&NP's interim tolls would be subject to review in a tolls proceeding. In the tolls proceeding, parties will be able to examine all issues relating to the application for final tolls.

3. AEC Suffield Gas Pipeline Inc. (AEC Suffield) - Pipeline Construction - GH-2-2000 (File 3200-A163-2)

The Board will hold a public hearing commencing on 26 June 2000 in Calgary, Alberta on an application from AEC Suffield to construct a natural gas pipeline from southeastern Alberta to southwestern Saskatchewan to be known as the North Suffield Pipeline.

The proposes to construct approximately 97 kilometres (60 miles) of 406.4 millimetre (16 inch) pipeline and associated control facilities. The pipeline would begin on the western side of the Suffield Military Block, extend along the northern boundary of the Suffield Military Block and then extend east and south to tie-in to the existing AEC Suffield meter station which connects to TransCanada Pipeline Limited's system near Burstall, Saskatchewan.

The AEC Suffield pipeline will have a design capacity of approximately 5.35 million cubic metres (190 million cubic feet) of natural gas per day. The estimated capital cost of the project is \$22.3 million. AEC Suffield is planning an in-service date of 1 November 2000.

Hearing Cancelled

1. Maritimes & Northeast Pipeline Management Ltd.'s (M&NP) - Halifax Lateral - Detailed Route Hearing - MH-1-2000 (File 3200-M124-3-2)

On 29 March 2000, Counsel for Mr. And Mrs. Higgins advised the Board that they were withdrawing their written statement of opposition concerning a portion of M&NP's proposed detailed route for the Halifax Lateral. The Board had scheduled a public hearing to commence on 3 April 2000 regarding the written opposition.

Application Withdrawn

1. TriState Canada Limited Partnership (TriState) - Pipeline Construction - GH-3-99 (File 3400-T089-1)

On 21 January 2000, TriState withdrew its application to construct a natural gas pipeline.

The TriState Pipeline Project would have been a new international pipeline project that would have provided natural gas transmission service from a point near Joliet, Illinois to a hub located near Dawn, Ontario. The Canadian portion of the project would have consisted of approximately 8.3 kilo-

metres (five miles) of pipeline extending from a point at the U.S. - Canada International Border in the St. Clair River near Sarnia, Ontario to a point of connection with the existing Bickford Station of Union Gas Limited (Union) near Sarnia. From that point, TriState's shippers would have accessed Dawn via Union's system. The proposed facilities would have had a design capacity of 12.7 million cubic metres (450 million cubic feet) per day.

Hearings Postponed

1. Mr. Robert A. Milne, 3336101 Ontario Limited, c.o.b. as Milne Crushing & Screening - MH-1-97

For more information on this matter, refer to item 1 under *Hearing Applications, Hearings Postponed* in issue No. 62 of the *Regulatory Agenda* dated 1 October 1997.

2. Crowsnest Pipeline Project - Natural Gas Pipeline

For more information on this matter, refer to item 1 under *Hearing Applications, Hearing Application Suspended* of issue No. 63 of the *Regulatory Agenda* dated 1 January 1998.

Proposed Hearing Application

1. Georgia Strait Crossing Pipeline Limited - Preliminary submission for proposed Georgia Strait Pipeline Crossing Project (File 3200-G049-1)

On 7 March 2000, Georgia Strait Crossing Pipeline Limited filed a preliminary environmental scoping submission to

construct and operate a natural gas pipeline to Vancouver Island. The company expects to file an application with the Board in the fall of 2000. The proposed project is a joint undertaking by British Columbia Hydro and Power Authority and Williams Gas Pipeline Company, operating under the name of Georgia Strait Crossing Pipeline Limited.

The pipeline would transport natural gas from Sumas, Washington, across Washington State and then across the ocean floor of Georgia Strait to one of several potential land-fall locations between Mill Bay and Cowichan Bay on Vancouver Island.

The Canadian portion of the project would originate at a point on the international border in Boundary Pass, Strait of Georgia, and interconnect with the existing Centra Gas British Columbia transmission system at a point south of Duncan, B.C. The Canadian portion of the pipeline would be approximately 50 kilometres (31 miles) in length, with approximately 37 kilometres (23 miles) being offshore and 13 kilometres (eight miles) onshore. The 406.4 millimetre (16 inch) pipeline would have a capacity of 2.832 million cubic metres (100 million cubic feet) per day, with an in-service date of November 2002. The estimated cost of the Canadian portion of the facilities is \$57 million.

Conference

1. Enbridge PipeLines Inc. (Enbridge) - Natural Gas Liquids Toll Methodology and Terms of Access (File 4825-E101-1)

The Board held a conference on 28 October 1999 in Calgary to discuss issues related to the transportation of natural gas liquids (NGL) on the Enbridge system. The objective of the conference was to provide a forum for the exchange of views on a regulatory mechanism for the examination of tolling and access for NGLs on the Enbridge system.

In March 1999, Enbridge filed an application on Natural Gas Liquids Toll Methodology and Terms of Access. The application was an indirect follow up to directions from the Board which followed a public hearing, held November 1996, on an application by PanCanadian Petroleum Limited to the Board for an order to require Enbridge to transport PanCanadian's NGL. In the decision following that public hearing, the Board granted PanCanadian's application and indicated its interest in the broad issue of NGL access to the Enbridge system for all potential shippers.

Following the conference, the level of support for Enbridge's application regarding *Natural Gas Liquids Toll Methodology and Terms of Access* was not clear. Some participants suggested that an open season would be necessary to assess industry interest. The Board requested that Enbridge conduct an open season, on the facilities proposed in its application, to ascertain the level of interest in these facilities and the tolling mechanism. Enbridge held a workshop on 13 December 1999 to discuss the open season process.

On 20 January 2000, Enbridge reported to the Board on the results of its NGL Open Season. Enbridge received no subscriptions for service other than the commitments previously made by Amoco Canada Petroleum Company (Amoco) and Shell Canada (Shell) in its March 1999 application. On 16 March 2000, the Board decided to dismiss the 15 March 1999 application for NGL Toll Methodology and Terms of Access. The Board was of the view that the lack of industry support during the open season indicates that the proposals contained in the application would not be of use to shippers.

Non Hearing Applications

ELECTRICITY MATTERS

Matters Completed

1. Canadian Niagara Power Company Limited (CNP) - Electricity export (File 6200-C010-6)

On 17 February 2000, the Board approved an application dated 4 October 1999 from CNP for permits to export up to 50 megawatts of firm and interruptible power and 250 gigawatt hours of firm and interruptible energy annually for 10 years.

2. Engage Energy US, L.P. (Engage) - Electricity Export (File 6200-E31-1)

On 17 February 2000, the Board approved an application dated 14 December 1999 from Engage for permits to export a maximum of 7 508 gigawatt hours of firm energy and 2 234 gigawatt hours of interruptible energy annually for 10 years.

3. Entergy Power Marketing Corp. (Entergy) - Electricity Export (File 6200-E104-1)

On 9 March 2000, the Board approved an application dated 3 January 2000 from Entergy for permits to export up to 3 000 megawatts of firm and interruptible power and up to 5 000 gigawatt hours of combined firm and interruptible energy annually for a period of ten years.

4. The Manitoba Hydro-Electric Board (Manitoba Hydro) - Contract Amendments - Permits EPE-33 and EPE-34 (File 6200-M020-6-1)

On 26 January 2000, the Board approved an application dated 9 November 1999 from Manitoba Hydro for approval of modifications to the Northern States Power Company 200 megawatt and 150 megawatt Diversity Agreements. The rate for energy delivered to Manitoba Hydro for the winter season from 1 November 1999 to 30 April 2000 as defined in the agreements will be changed to market prices in the Mid-Continent Area Power Pool.

Matters Under Consideration

5. Columbia Power Corporation (CPC) - Electricity Export (File 6200-C157-1)

On 20 March 2000, CPC applied for permits to export, for a period of 10 years, up to 350 megawatts of firm power for

the years 2001-2003 and up to 150 megawatts for the remaining years. The maximum annual combined firm and interruptible energy proposed for export is 1 000 gigawatt hours in 2002, 750 gigawatt hours in 2001/2003 and 500 gigawatt hours for the remaining years.

6. The Manitoba Hydro-Electric Board (Manitoba Hydro) - Electricity Export (File 6200-M020-11)

On 14 January 2000, Manitoba Hydro applied for permits to export, to the Minnesota Municipal Power Agency, a maximum of 60 megawatts of participation power from 1 May 2000 to 30 April 2009 and 30 megawatts from 1 May 2009 to 30 April 2012. The maximum annual energy exports would be 350 gigawatt-hours in 2000; 526 gigawatt hours in 2001 - 2008; 350 gigawatt hours in 2009; 263 gigawatt hours in 2010 and 2011; and 88 gigawatt hours in 2012.

On 2 March, the Board sent a letter to Manitoba Hydro requesting additional information.

7. Sempra Energy Trading corp. (Sempra) - Electricity Export (File 6200-S169-1)

On 1 March 2000, Sempra applied for permits to export up to 4 000 megawatts of firm and interruptible power and 17 060 gigawatt hours of firm and interruptible energy per year for a period of ten years.

8. Sumas Energy 2, Inc. (Sumas) - International Power Line (File 2200-S040-1)

On 7 July 1999, Sumas applied for approval to construct and operate a 230 000-volt international power line. The line would extend a distance of approximately 8.5 kilometres (5.3 miles) southward from the Clayburn Substation located in Abbotsford, British Columbia to a point on the international boundary located at Sumas, Washington.

On 18 November 1999, the Board sent a letter to Sumas directing the Company to consult with the individuals potentially most directly affected by the project and requested information regarding consultations with First Nations and aboriginal people and the current use of lands and resources by aboriginal people for traditional purposes.

NATURAL GAS MATTERS

Matters Completed

1. *Notice to the Public - Gas Export Licence Applications Pursuant to Part VI of the National Energy Board Act (File 185-A000-22-3)*

In January 2000, the Board published the following notice in newspapers across Canada:

NATIONAL ENERGY BOARD

NOTICE TO PUBLIC

Gas Export Licence Applications Pursuant to Part VI of the National Energy Board Act

o The public is advised that the National Energy Board (the Board) considers all complete applications for gas export licences on a case-by-case basis as they are filed.

o The Board does not require applicants to publish notice of their applications. Instead, parties who have requested to be included on the Board's Part VI Notification List are advised of all gas export licence applications when they are received by the Board.

o New parties wishing to be added to the Part VI Notification List should register with the Secretary of the Board at the address below or contact Mr. Denis Tremblay, Communications Officer, via E-mail at dtremblay@neb.gc.ca.

o Additionally, notice of all applications for gas export licences are posted on the Board's Internet web site (<http://www.neb.gc.ca>) and in the Board's Library.

Michel L. Mantha, Secretary
National Energy Board
444 Seventh Avenue SW
Calgary, Alberta T2P 0X8
Facsimile: (403) 292-5503

2. *Alberta Northeast Gas Limited (ANR) - Contract Amendments - Natural Gas Export Licence GL-102 (File 7200-A056-1-2)*

On 11 January 2000, the Board approved an application dated 8 October 1999 from ANE for approval of contractual volume reductions under ANE/TransCanada PipeLines Limited's natural gas export Licence GL-102. Yankee Gas Services Company, one of ANE's downstream customers, provided notice of termination with respect to its obligations under two TransCanada contracts underpinning Licence GL-102. Subsequently, TransCanada Gas Services and ANE executed a letter agreement to terminate their obligations to provide a certain volume of gas to ANE for export covering the Yankee volume.

3. *Poco Petroleums Ltd. (Poco) - Name Change and Amendment to Natural Gas Export Licences GL-117, GL-118 and GL-205 (File 7200-P059-4-2)*

On 18 January 2000, Poco notified the Board that, effective 1 January 2000, it had changed its name to Burlington Resources Canada Energy Ltd. and requested that natural gas export Licences GL-117, GL-118 and GL-205 be amended to reflect the name change.

4. *ProGas Limited (ProGas) - Contract Amendments - Natural Gas Export Licences GL-101 and GL-109 (Files 7200-P038-3-1 and 7200-P038-4-1)*

On 24 January 2000, the Board approved an application dated 20 December 1999 from ProGas for contract amendments to two Gas Sales Agreement with Ocean States Power (OSP) underpinning natural gas exports under Licences GL-101 and GL-109. Under the Licences, ProGas exports natural gas to OSP to fuel its combined cycle electric generating facilities OSP I and OSP II in Burrillville, Rhode Island. The amendments deal with the pricing provisions in the Gas Sales Agreements.

Matter Under Consideration

5. *Engage Energy Canada, L.P. (Engage) - Transfer of Several Gas Export Licences*

For more information on this matter, refer to item 4 under *Other Applications, Electricity Matters* in issue No. 70 the *Regulatory Agenda* dated 1 October 1999.

PIPELINE MATTERS

Matters Completed

1. *Alternative Dispute Resolution (ADR) - Pilot Program (File 134-A000-3)*

On 20 December 1999, by letter to all companies under its jurisdiction, the Board informed that it was developing a pilot project for the application of ADR to detailed route proceedings which are conducted pursuant to the *National Energy Board Act*.

After a certificate for construction and operation of a pipeline has been issued, a pipeline company must serve a notice on the owners of all lands it wishes to acquire. An owner of lands or a person who anticipates that his lands may be adversely affected by the proposed detailed route of the pipeline may object. A public hearing is then held.

The objective of the proposed process for ADR would be to resolve disputes between pipeline companies and landowners or other parties early in the process, before a hearing is required. To this end, the Board has received funding from the Department of Justice to establish an ADR pilot project. A request was posted for proposals to establish a model for

ADR in respect of detailed route proceedings and to provide mediation training. An evaluation of the pilot will then be undertaken in order to measure its success and input will be sought from other parties at that time.

2. Foothills Pipe Lines Ltd., on behalf of Foothills Pipe Lines (Alta.) Ltd. (Foothills) - Expansion of Decompression/Recompression Facilities (File 3400-F007-4)

On 8 March 2000, the Board approved two applications dated 19 November 1999 from Foothills for the construction of facilities on Foothills' Zone 6 at the Decompression/-Recompression Facility near Empress Alberta. The two applications are interrelated and deal with the modifications of existing facilities and construction of new facilities in order to create a gas distribution header at the Decompression/-Recompression Facility.

The Board held a written proceeding to deal with the application.

3. Maritimes & Northeast Pipeline (M&NP) - Pipeline Purchase (Files 3400-M124-2 and 3200-M124-4-1)

On 17 February 2000, the Board approved an application dated 16 September 1999 from M&NP to purchase from Sable Offshore Energy Inc. (SOEI) certain facilities interconnection with the Point Tupper Lateral facilities crossing the Strait of Canso in Nova Scotia. Pursuant to the Point Tupper Lateral Agreement between M&NP and SOEI, the Canso Crossing portion of the Point Tupper Lateral was to be constructed by SOEI, under the jurisdiction of the Nova Scotia Energy, Minerals and Resources Conservation Board, and then sold to M&NP and operated as part of the Point Tupper Lateral. This arrangement was discussed during the Point Tupper Lateral proceeding (GH-4-98) and accepted by the Board in its Reasons for Decision.

4. Northstar Energy Corporation (Northstar) - Pipeline Construction (File 3400-N150-2)

On 14 February 2000, the Board approved an application dated 20 December 1999 from Northstar to construct a 650-metre long sweet natural gas pipeline from the existing Northstar 16-5-61-27 W3M wellsite in the Pierceland area of Saskatchewan, nine kilometres west of Mudie Lake, Saskatchewan, to the existing Northstar 15-1-61-1 W4M wellsite, 25 kilometres southeast of Grand Centre, Alberta.

5. Shiha Energy Transmission Ltd. (Shiha) - Pipeline construction (File 3400-S056-1)

On 28 January 2000, the Board approved an application dated 30 July 1999 from Shiha to construct and operate the Liard Pipeline project consisting of a gathering system, gas battery and natural gas pipeline from the Fort Liard area to the Maxhamish gas plant in northeastern British Columbia. The Board has approved a part of these facilities, referred to

as the Shiha Pipeline, consisting of 24 kilometres (15 miles) of 324 millimetre (12 inch) diameter raw gas pipeline from the outlet of the gas battery to the inlet of the proposed Maxhamish Gas Plant.

The Board is currently processing Shiha's application for the gathering system and gas battery, referred to as the Liard Gathering Project, consisting of well-site production facilities, approximately 15 kilometres (nine miles) of wet gas flowlines of 168 and 218 millimetre (six and eight inch) diameter pipeline and a central gas battery where the gas would be dehydrated.

The proposed in-service date of the project is 1 April 2000 and the estimated capital cost is \$5,658,200.

6. Section 58 Applications

The Board has approved or is considering several applications under section 58 of the NEB Act involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. These matters may be considered by the Board without a public hearing. See Appendix III for a description of the applications approved or under consideration.

Matters Under Consideration

7. AEC Suffield Gas Pipeline Inc. (AEC Suffield) - Amber Energy Inc. (Amber) - Pipeline Construction - Ekwan Pipeline Project (File 3400-A167-1)

On 24 August 1998, Amber applied for approval to construct approximately 36 kilometres (22 miles) of 324 millimetre (12 inch) outside diameter natural gas pipeline from Amber's Ekwan Gas Plant to be located at c-10-E/95-1-9 in British Columbia to a meter station on the Nova Gas Transmission Ltd. system at Section 27-110-12-W6M in Alberta. The estimated cost of the pipeline is \$8.94 million.

Effective 1 December 1998, all of the issued and outstanding shares of Amber were purchased by Alberta Energy Ltd. The pipeline facilities forming part of the Ekwan Pipeline Project will be held by AEC Suffield Gas Pipeline Inc. (AEC Suffield), a wholly owner subsidiary of Alberta Energy Ltd.

On 2 and 24 February 1999, AEC Suffield responded to the Board's requests for information of October 1998. In its response of 24 February, the Company indicated that it chose not to amend its application to include upstream facilities contending that the application before the Board, as supplemented by the responses to the Board's information request, was complete.

On 9 April 1999, the Board determined that it was not necessary for AEC Suffield to include any facilities upstream of the applied-for pipeline in its applications. The Board, however, advised the Company that the Board had an obligation under section 15 of the *Canadian Environmental Assessment*

Act, to determine the scope of the assessment in respect of the project. In that respect, the Board requested additional information from AEC Suffield.

On 30 June 1999, the Board sent another letter to AEC Suffield requesting additional information.

TRAFFIC, TOLLS AND TARIFF MATTERS

Matters Completed

1. Financial Audit Reports

The Board has issued final audit reports for the following companies:

Approved	Company	Period Covered	File
3 March	Westcoast Energy Inc.	Years ended 31 Dec. 1997 and 1998	4710-W5
23 March	Enbridge Pipelines Inc.	Years ended 31 Dec. 1994 to 1998	4710-E101

2. TransCanada PipeLines Limited (TCPL) - 1999 Tolls (File 4200-T1-13)

On 21 March 2000, the Board approved TCPL's revised application dated 13 December 1999 for final 1999 tolls and Task Force Resolutions 18.99, 19.99 and 01.2000.

3. Trans-Northern Pipelines Inc. (TNPL) - 2000 Tolls (File 4200-T23)

On 31 March 2000, the Board approved an application dated 29 February 2000 from TNPL for the approval of tolls for 2000.

4. Westcoast Energy Inc. (WEI) - Transmission Tolls (File 4775-W005-1-1)

On 15 March 2000, the Board approved an application dated 25 February 2000 from WEI for approval of tolls effective 1 January 2000 for Transportation Service - Northern, Transportation Service - Southern and Offline service.

Matters Under Consideration

5. Foothills Pipe Lines Ltd. (Foothills) on behalf of Foothills Pipe Lines (Alta.) Ltd., Foothills Pipe Lines (South B.C.) and Foothills Pipe Lines (Sask.) Ltd. - Year 2000 Operating and Maintenance Expense Budgets (File 4750-F6-2)

On 29 November 1999, Foothills applied, on behalf of the above noted subsidiaries, for approval of Operating and Maintenance Expense Budgets for the 12-month period ending on 31 December 2000.

On 23 December 1999, the Board advised Foothills that, before making a final decision on the applied-for budgets, it wished to consider Foothills' actual 1999 costs and the analysis of the 1999 operating and maintenance expense variances due to be filed with the Board in the Spring of 2000. Therefore, the Board decided to issue an interim order approving interim budgets for the year ending 31 December 2000 equal to 50 percent of the budgets submitted.

7. Foothills Pipe Lines Ltd. (Foothills) - Interruptible Tolls for 2000-2001 (File 4400-F6-7)

On 22 March 2000, the Board approved, on an interim basis effective 1 April 2000, an application dated 3 February 2000 from Foothills for approval of interruptible tolls for Zone 9. The Board will make a final decision with respect to the applied-for tolls upon completion of its examination of the Interruptible Tolls application and Foothills Operation and Maintenance filing dated 2 March 2000.

8. TransCanada PipeLines Limited (TCPL) - 2000 Tolls (File 4200-T1-14)

On 17 December 1999, TCPL filed an application for approval of its year 2000 tolls. TCPL requested an order so that the current interim tolls in effect be terminated effective 31 December 1999, and that new interim tolls be made effective 1 January 2000 pending the release of the Board's final decision regarding 2000 tolls. On 24 December 1999, the Board approved the request for interim tolls.

9. Trans Mountain Pipe Line Company Ltd. (TMPL) - 2000 Tolls (File 4400-T004-18)

On 21 December 1999, the Board approved an application dated 7 December from TMPL for interim tolls effective 1 January 2000. On 15 March 2000, TMPL filed an application for approval of final tolls.

FRONTIER MATTERS

1. Ranger Oil Limited (Ranger) - Declaration of Significant Discovery - MH-5-99 (File 9170-R706-1)

On 22 February 2000, the Board issued a Declaration of Significant Discovery with respect to the Ranger Fort Liard P-66A well pursuant to Part II.1, section 28.2 of the *National Energy Board Act* and Part III, section 28 of the *Canada Petroleum Resources Act*.

The Board held an in-camera oral hearing on 15 and 16 February 2000 in Calgary with Ranger, Canadian Forest Oil Limited (CFO) and Chevron Canada Resources Limited (Chevron) regarding the Board's decision with respect to the issuance of a Declaration of Significant Discovery for the Ranger Unocal Fort Liard P-66A well.

On 17 December 1998, the Board received requests from Ranger, CFO and Chevron for a hearing in respect of a

Notice of Intention by the National Energy Board to Make a Decision concerning an application by Ranger, under the Canada Petroleum Resources Act, that the Board issue a Declaration of Significant Discovery in respect of Discovery Well Ranger Unocal Fort Liard P-66A and Exploration Licences EL 36, EL 363 and EL 364 near Ft. Liard. The NEB Act requires the Board to convene a hearing to hear the representations of those directly affected persons who requests a hearing.

On 6 October 1999, Board Staff, under the direction of the Board, held a pre-hearing conference to address the following:

1. the exchange of relevant information and measures to protect the confidentiality of information;
2. the procedures to be followed at the hearing; and
3. the timing for the hearing.

2. Other Activities During the First Quarter of 2000

(A) Approval was given to Imperial Oil Resources Ltd. for the following activities at Norman Wells:

- 1) Bear Island Pipeline Replacement project pursuant to paragraph 5(1)(b) of the *Canada Oil and Gas Operations Act* (COGOA) on 6 January 2000.
- 2) Wavier from paragraph 25(4)(b) of the *Canada Oil and Gas Production and Conservation Regulations* (COGPCR) on 15 March 2000.

(B) Approval was given to Paramount Resources Ltd. for the following:

- 1) A "Development Plan" for the tie-in of the Paramount *et al* Fort Liard F-36 gas well pursuant to subsection 5.1(4) of the COGOA subject to the consent of Governor in Council of Part I on 6 January 2000. The Board submitted Part I of the "Development Plan" to the Department of Indian and Northern Development asking them to submit that Part to the Governor in Council for approval
- 2) "Alter Condition of a Well" pursuant to paragraph 80(1)(b) of the COGDR for the following wells on 11 January 2000:
Paramount *et al* Cameron C-75;
Paramount *et al* Cameron I-74;
Paramount *et al* Cameron L-47; and
Paramount *et al* Cameron M-73.
- 3) An extended formation flow test on the Paramount *et al* Cameron B-25 well pursuant to subsection 5.6(3) of the COGOA on 11 February 2000.

4) Commingled production on the Paramount *et al* Fort Liard F-36 well pursuant to section 32 of the COGPCR on 8 March 2000.

5) To suspend the wells Paramount *et al* Cameron L-47 and Paramount *et al* Cameron B-25 pursuant to subsection 203(4)(c) of the COGDR on 21 March 2000.

(C) Approval was given to Ranger Oil Limited for the following:

- 1) The continuation of the program approval dated 18 June 1999, for the Ranger Fort Liard P-66A well, pursuant to paragraph 5(1)(b) of the COGOA on 28 January 2000.
- 2) A "Development Plan" for the tie-in of the Ranger North Liard P-66A gas well pursuant to subsection 5.1(4) of the COGOA subject to the consent of Governor in Council of Part I on 23 February 2000. The National Energy Board submitted Part I of the "Development Plan" to the Department of Indian and Northern Development asking them to submit that Part to the Governor in Council for approval.
- 3) Construction of the North Liard P-66A well tie-in and production facilities pursuant to paragraph 5(1)(b) of the COGOA on 2 March 2000.
- 4) Construction of wellsite facilities pursuant to condition (5) of Order EPO-6-2000, originally granted pursuant to paragraph 5(1)(b) of the COGOA on 7 March 2000.

(D) A Declaration of Significant Discovery was issued with respect to the Ranger Fort Liard P-66A well pursuant to Part II.1, section 28.2 of the *National Energy Board Act* (NEBA) and Part III, section 28 of the *Canada Petroleum Resources Act* (CPRA) on 22 February 2000.

(E) A Notice of Intention to Make a Decision was issued with respect to the Ranger Oil Limited's application for a Declaration of Commercial Discovery pursuant to Part II.1, section 28.2 of the NEBA and Part IV, section 35 of the CPRA on 23 March 2000.

(F) A Declaration of Commercial Discovery was issued with respect to the Chevron Fort Liard K-29 well pursuant to Part II.1, section 28.2 of the NEBA and Part IV, section 35 of the CPRA on 5 January 2000.

(G) Approval was given to Chevron Canada Resources for the following:

- 1) Construction of the North Liard K-29 production facilities and pipelines pursuant to paragraph 5(1)(b) of the COGOA on 19 January 2000.

- 2) "Well Termination Record" for the Chevron *et al* Liard M-25 subject well pursuant to section 184 of the COGDR on 2 February 2000.
- 3) Injection into the Chevron *et al* McKay Lake O-80 well pursuant to subsection 58(6) of the COGPCR on 29 March 2000.

(H) Approval was given to AEC Oil & Gas for the following:

- 1) Surface casing setting depth for the well AEC (West) Renaissance Tate G-18 pursuant to subsection 70(1)(b) of the COGDR on 28 January 2000.
- 2) Waiver for canned drill cutting samples for the following wells, pursuant to subsection 227(1) of the COGDR on 18 January 2000:
AEC (West) Renaissance Tate G-18;
AEC (West) Renaissance Carcajou O-47;
AEC (West) Renaissance Carcajou P-16;
AEC (West) Renaissance Carcajou D-04; and
AEC (West) Renaissance Carcajou O-47.
- 3) Waiver for openhole logs from surface casing to intermediate casing for the following wells pursuant to subsection 191(1) of the GOGDR on 20 January 2000:
AEC (West) Renaissance Carcajou O-47;
AEC (West) Renaissance Carcajou P-16;
AEC (West) Renaissance Carcajou D-04; and
AEC (West) Renaissance Carcajou O-47.
- 4) "Authority to Drill a Well" for the following wells pursuant to section 83(1) of the COGDR on 11 February 2000:
AEC (West) Renaissance Tate G-18;
AEC (West) Renaissance Carcajou O-47;
AEC (West) Renaissance Carcajou P-16;
AEC (West) Renaissance Carcajou D-04; and
AEC (West) Renaissance Carcajou O-47.
- 5) Abandonment and disposal program for the AEC (West) Renaissance Tate G-18 pursuant to section 210 of the COGDR on 7 March 2000.
- 6) Abandonment of the AEC (West) Renaissance Carcajou O-47, and AEC (West) Renaissance Carcajou O-74 wells pursuant to section 210 of the COGDR on 29 March 2000.

7) Abandonment of AEC (West) Renaissance Carcajou P-16, and AEC (West) Renaissance Carcajou D-07 pursuant to section 208 of the COGDR on 22 March 2000.

8) Completion of the AEC (West) Renaissance Carcajou O-74 well pursuant to section 208 of the COGDR on 22 March 2000.

- (I) Cancellation of the approved "Authority to Drill a Well" for the well CDN Forest *et al* Fort Laird H-46 pursuant to subsection 83(1) of the COGDR on 10 February 2000.
- (J) Approval was given to Shiha Energy Transmission Ltd. for the construction of the Fort Liard F-36 production facilities and pipelines pursuant to paragraph 5(1)(b) of COGOA on 28 January 2000.
- (K) Approval was given to Canadian Forest Oil Ltd. for a "Well Termination Record" for the CDN Forest *et al* North Liard-61 pursuant to section 184 of the COGDR on 19 January 2000.
- (L) Approval was given to Suncor Energy Inc. for a "Well Termination Record" for the Suncor Netla P-16 well pursuant to section 184 of the COGDR on 2 February 2000.
- (M) Nine new applications for geological, geophysical or geotechnical operation authorization were received. Nine applications have been approved pursuant to section 5 of the COGOA as follows:

Company	Area	Operation ID	Date
Questor Surveys	Nahanni Butte	9221-Q5-3P	03 Mar. 2000
AEC West	Keele	9229-A61-3E	01 Feb. 2000
ExplorData	Ft. Liard	9229-E34-2P	14 Jan. 2000
ExplorData	Liard	9229-E34-3E	02 Mar. 2000
ExplorData	Liard	9229-E34-3P	21 Feb. 2000
ExplorData	Liard	9229-E34-4E	02 Mar. 2000
Northrock	Tertiary Creek	9229-N46-1E	06 Jan. 2000
ExplorData	Mackenzie Delta	9329-E34-1P	02 Mar. 2000
PetroCanada	Mackenzie Delta	9329-P28-1E	26 Jan. 2000

The remaining applications are being reviewed.

Appeals and Reviews

Appeal completed

1. Alberta Department of Energy (ADOE) - Northstar Energy Corporation (NEC) - GH-1-98

In February, ADOE filed a Notice of Discontinuance regarding this appeal.

On 25 May 1998, the ADOE had applied to the Federal Court of Appeal for leave to appeal a ruling of the Board dated 24 April 1998 in which it dismissed a motion by the ADOE challenging the Board's jurisdiction to hear an application by NEC to construct a pipeline on the grounds that the NEC application involved a local work and undertaking, rather than an extraprovincial work and undertaking.

The ADOE had also applied to the Board for a Stay of Execution of the Board's Decision GH-1-98. On 4 June 1998, the Board denied the application for a Stay of Execution. Subsequent to the Board's dismissal of the stay application, ADOE, on 24 June 1998, filed with the Federal Court of Appeal an application for leave to appeal the Board's decision dated 24 April 1998.

The Federal Court had granted the leave to appeal and stayed the Board's GH-1-98 Decision.

Appeals Pending

2. Canadian Forest Oil Limited (Canadian Forest) v Chevron Canada Resources and Ranger Oil Limited (Chevron et al.)

On 24 January 2000, Canadian Forest filed a judicial review application in the Federal Court of Appeal in respect of a Declaration of Commercial Discovery (DCD) relating to the Fort Liard K-29 gas well issued by the Board to Chevron et al. on 5 January 2000. The application seeks to quash the Board's decision on the grounds that the Board breached the rules of natural justice and procedural fairness by issuing the DCD before the 30-day waiting period prescribed under the *National Energy Board Act* had run its course, and by failing to include Canadian Forest in the Board's list of directly affected parties. Canadian Forest is also seeking interim relief to restrain the Board from issuing any further permits or approvals relating to the development of the area covered by the DCD.

3. The Industrial Cape Breton Community Alliance Group (the Alliance) on the Sable Gas Project

On 25 November 1997, the Alliance filed an Originating Notice of Motion with the Federal Court of Canada, Trial Division for the purpose of having the Joint Public Review Panel Report dated 27 October 1997, and the Report of the Commissioner for the Canada-Nova Scotia Offshore

Petroleum Board dated 27 October 1997, reviewed, set aside and referred back to the Joint Panel and the Commissioner and that they direct Sable Offshore Energy Project to file a socio-economic impact study incorporating an economic cost-benefit analysis and the environmental effects of the project on Cape Breton. On the same date, the Alliance filed a similar Originating Notice of Motion with the Federal Court of Appeal. Proceedings have been consolidated in the Federal Court, Trial Division. This judicial review application was heard in May in Halifax. Judgement has been reserved by the Court.

4. British Columbia Wildlife Federation and the Steelhead Society of British Columbia (BC Wildlife et al.) v. British Columbia Hydro and Power Authority (BC Hydro)

The BC Wildlife et al. filed an application with the Federal Court of Appeal for leave to appeal a decision of the Board dated 6 January 1999 in which it issued an export permit to BC Hydro to allow it to undertake certain export arrangements. Leave to Appeal was granted by the Court and a Notice of Appeal was served on the Board on 19 May 1999. No date for hearing has been established.

5. Athabasca Chipewyan First Nation v. British Columbia Hydro and Power Authority (BC Hydro)

The Athabasca Chipewyan First Nation filed an application with the Federal Court of Appeal for leave to appeal a decision of the Board dated 6 January 1999 in which it issued an export permit to BC Hydro to allow it to undertake certain export arrangements. Leave to Appeal was granted by the Court and a Notice of Appeal was served on the Board on 1 June 1999. No date for hearing has been established.

Reviews

1. Paul Vincent Dyke - Alliance Detailed Route Hearing Decision (File 3200-A159-1-1)

On 23 March 2000, the Board dismissed an application dated 29 January 2000 from Mr. Paul Vincent Dyke to review the Board's detailed route hearing decision with respect to the Alliance Pipeline Project. The Board was of the view that there had been no evidence presented which raises a doubt as to the correctness of the decision in the detailed route hearing.

2. Androscoggin Energy LLC (Androscoggin) - Replacement Gas Purchase Agreement and Amendment to Natural Gas Export Licence GL-283 (File 7200-A162-1-2)

On 13 March 2000, Androscoggin applied for a review of the Board's decision dated 10 February 2000, in which it

denied an application for approval of a replacement gas purchase agreement and to amend natural gas export Licence GL-283. The Board had also decided to reduce the volumes authorized in Licence GL-283.

On 29 September 1999, Androscoggin applied for approval of a replacement gas purchase agreement and to amend natural gas export Licence GL-283. Under Licence GL-283, Androscoggin is authorized to export some 1.24 million cubic metres (43.9 million cubic feet) of natural gas per day for a period of ten years to serve the Androscoggin Energy Center cogeneration plant in Jay, Maine. Licence GL-283 is supported by four gas sales contracts of which the contract with Rio Alto Exploration Ltd. (Rio Alto) for 307 000 cubic metres (10.9 million cubic feet) per day has been terminated. Androscoggin executed a replacement gas purchase contract with Duke Energy Marketing Limited Partnership (DEMPL) for the purchase of 282 000 cubic metres (10.0 million cubic feet) per day of natural gas covering five years of the ten-year licence term.

On 20 October 1999, the Board sent a letter to Androscoggin requesting additional information. The Board requested Androscoggin to provide, among other things, DEMPL gas supply information. Androscoggin's and DEMPL's final responses, dated 27 January 2000 and 25 January 2000, respectively, did not provide the supply information sought by the Board.

On 23 February 2000, Androscoggin requested that the Board stay the implementation of its decision and provide Androscoggin with an opportunity to meet the Board's gas supply requirements regarding the new source of supply from DEMPL, such that no amendments to Licence GL-283 will be required by the Board.

On 6 March 2000, the Board decided to stay the implementation of the Board's decision, pending Androscoggin's filing of new information which could justify a review of the Board's decision. On 13 March 2000, Androscoggin filed an application for review. On 17 and 29 March 2000, the Board sent letters to Androscoggin requesting additional information.

Amendments to Guidelines and Regulations

Amendments to the Board's guidelines and regulations completed or in various stages of preparation, include the following:

1. Processing Plant Regulations (PPR) (File 185-A000-13)

The Board is proposing new goal-oriented Processing Plant Regulations to complement the *Onshore Pipeline Regulations, 1999*. The PPR, when promulgated, will govern the design, construction, operation, and abandonment of processing plants which are owned and operated by federally regulated companies and whose function is integral with respect to transportation. Such facilities are presently regulated under the *Onshore Pipeline Regulations, 1999*.

On 16 December 1999, the Board issued for comment by interested parties *Draft Guidance Notes for the Processing Plant Regulations*. Written comments were requested by 26 February 2000.

2. National Energy Board Rules of Practice and Procedure, 1995 (the Rules) (File 341-A000-2)

The Board is moving towards the implementation of Electronic Regulatory Filing (ERF). An analysis of the legal issues surrounding implementation of ERF has been prepared and is available on the Board's internet site (<http://www.neb.gc.ca>). Regulations under the *National Energy Board Act* and the *Canada Oil and Gas Operations Act* (COGOA) have been examined. The most extensive changes are to the Rules. Amendments to the Rules will enable par-

ties to file all required regulatory documentation via electronic means. Changes to the other regulations are largely of an administrative nature - for example specification of one, rather than a multitude of copies. These minor changes will be included in revisions to the COGOA regulations which are proposed in the near future.

3. Canada Oil and Gas Diving Regulations (Diving Regulations) and Guidance Notes (File 2001-1)

The Board is proposing replacing the existing Diving Regulations with goal-oriented Diving Regulations. Instead of specifying various aspects of the diving operations, these new Regulations put the responsibility on the Operators to develop and demonstrate how their dive plan specifications and procedures meet the objectives of the Regulations.

Draft Regulations have been sent to Justice for examination under the *Statutory Instruments Act*.

4. Canada Oil and Gas Drilling, Production, and Conservation Regulations (File 0406-14)

The *Canada Oil and Gas Drilling Regulations* and the *Canada Oil and Gas Production and Conservation Regulations* are being updated and re-structured into one Regulation covering drilling, production, and conservation.

5. National Energy Board Crossing Regulations, Part I (the Regulations) (File 185-A000-7-1)

In 1999, Parliament amended the *National Energy Board Act* (the Act) to clarify that the Board has the power to create a

regulation providing a temporary restricted are in the vicinity of a pipeline, in which no excavations could take place for a three day period. The three day period is necessary in order to permit the pipeline company to mark the location of its pipes. The purpose of the amendment to the Regulations is to ensure that they are within the scope of the amendments made to the Act.

On 13 January 2000, the Board enacted the amendments to the Regulations. The amendments will come into force on the day they are registered by the Privy Council Office.

6. National Energy Board Pipeline Crossing Regulations, Part II - (File 185-A000-36)

The Board intends to replace the existing Pipeline Crossing Regulations, Part II with regulations targeted at damage prevention (to be known as Damage Prevention Regulations). The new regulations will regulate activities on or adjacent to pipeline rights of way under the Board's jurisdiction in the interest of the safety of the public and of the company's employees and the protection of property and the environment.

Unauthorized construction or excavation across, on, along or under a right-of-way or excavation using power-operated equipment or explosives within the 30-metre (100-foot) safety zone is illegal. The Pipeline Crossing Regulations, Part I provides the conditions under which excavation and construction activities near the right-of-way can be conducted safely. The Pipeline Crossing Regulations, Part II establishes the responsibilities of the pipeline company to the Board and to a party that wishes to excavate and construct near a right-of-way.

Any pipeline companies, persons or organizations with an interest in this initiative are encouraged to contact the Board with any comments, questions or concerns there may have. The Board expects to have draft a regulation available for public comment by mid-year 2000.

7. Regulations and Guidelines Pertaining to Canada Oil and Gas Operations Act

The process of creating and amending regulations pertaining to oil and gas activities, under the provisions of the *Canada Oil and Gas Operations Act*, proclaimed in force in September 1992, is continuing. At present, the regulatory agenda is as follows:

Regulations and Guidelines being drafted:

Newfoundland Offshore Area Petroleum Safety Regulations

Nova Scotia Offshore Area Petroleum Safety Regulations

Regulations Amending Certain Regulations Made Under the Canada Oil and Gas Operations Act (Miscellaneous Program)

Canada Offshore Oil and Gas Installation Manager Regulations

Regulations Amending the Canada Oil and Gas Certificate of Fitness Regulations

8. Regulations and Guidance Notes Pertaining to Canada Labour Code, Part II

The process of amending the *Canada Oil and Gas Occupational Safety and Health Regulations* pertaining to oil and gas activities, under the provisions of the *Canada Labour Code, Part II*, is continuing.

Administrative Matters

Executive Team

On 1 March, **Ms. Valerie J. Katarey** joined the Executive Team of the Board as Business Leader, Corporate Services. The Corporate Services Business Unit manages the Board's human and financial resources. Its responsibilities include corporate policy and planning activities, material and facilities management, staffing, training, pay and benefits, procurement, inventory control, physical security, and union/management activities.

Ms. Katarey was previously employed as Director, Client Services, Western Economic Diversification in Saskatoon. Prior to that, she has worked in a number of federal departments and agencies, notably Environment Canada, Agriculture Canada, the Public Service Commission, Supply and Services Canada, Transport Canada, Correctional Services Canada and Revenue Canada. Her experience includes finance, administration, human resources, procurement and service delivery.

On 1 March, **Mr. Byron K. Goodall** joined the Executive Team of the Board as Business Leader, Information Management. Mr. Goodall has been with the Board since the Fall of 1999 as a consultant acting as the unit's Business Leader. The Information Management Business Unit provides expert advice on the treatment of information as a strategic resource. It is accountable for information production, exchange and storage at the Board. Its responsibilities include internal and external communications, library services, corporate records management, mail services, access to information, regulatory and hearing services, document production services, Board-wide computer services and the Electronic Regulatory Filing initiative.

Mr. Goodall was an Information Management consultant. He previously worked at NOVA, where he led a number of information management units in Calgary and Edmonton. He has also managed aspects of pipeline operations in Buenos Aires, Argentina for the Transportadora de Gas del

Norte pipeline. Prior to his career at NOVA, he worked in the power industry at Saskatchewan Power Corporation in Regina.

Board Document System (BDS)

On 31 December 1999, the BDS of the Board was discontinued and all accounts were closed. The BDS software was not Y2K compliant.

The BDS contained electronic Reasons for Decision from 1985 and hearing transcripts from 1991. Later this year, the documents will be transferred to the Electronic Regulatory Filing Repository. The repository will be accessible via the Board's Web site. Reasons for Decision and Hearing Transcripts since 1 April 1999 are available on the Web site.

Documents Issued - 1 January to 31 March 2000

Reasons for Decision

Western & Pacific PipeLines Inc. on behalf of Pipestone PipeLines Ltd. (Pipestone) - Operation of a Pipeline - OHW-1-99 - February 2000

Booklet

Excavation and Construction Near PipeLines - Update - January 2000 (Available on the Board's Internet site at <http://www.neb.gc.ca> under the heading *Safety & Environment*.)

Speech

40 Years in the Public Interest, a presentation by Mr. Jean-Paul Théorêt to l'Association Pipeline in Montreal, Quebec on 17 March 2000.

Instructions for Filing

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 444 Seventh Avenue SW, Calgary, AB T2P 0X8; Telephone (403) 292-4800; Fax (403) 292-5503.

Appendix I lists the number of copies required for the different types of applications.

Telephone Numbers

Appendix II lists the telephone number of Board Members and key staff.

Web Site

Internet users are invited to visit the Board's Internet home page at <http://www.neb.gc.ca>.

National Energy Board
Michel L. Mantha
Secretary

For information:

Denis Tremblay,
Tel: (403) 299-2717
Email: dtremblay@neb.gc.ca

For copies of documents:

Publications Office,
Tel: (403) 299-3562 • Fax: (403) 292-5503
Email: <http://www.orders.neb.gc.ca>

Appendix I

Number of Copies Required for Filings

Applicants are requested to provide the following number of copies of their applications or other filings to the National Energy Board. For matters not listed below, one copy is sufficient.

Type of Application or Filing	No. of Copies	Type of Application or Filing	No. of Copies
(a) Hearing Matters		(iii) Oil Exports	
(i) Certificates		Registered Oil Export Orders	05
Pipeline	25	(iv) Tolls	
Power Line	20	Class I and II Adjustments	20
(ii) Export Licences		Interim Orders	20
Natural Gas	25	Operating and Maintenance Budgets	20
Electricity	20	Changes in Depreciation Rates	20
(iii) Tolls	25	Quarterly Surveillance Reports	20
(iv) Land Acquisitions	20	New or Changed Tariffs	20
(b) Non-Hearing Matters		Domestic Gas Sales Contracts and	
(i) Natural Gas		Amendments	20
Export Orders	20	Amendments to Tariff Orders	20
Orders for Transmission Access	20	(v) Pipelines and Power Lines	
Licence Amendments	20	Permits	15
Amendments to Export Contracts	20	Exemption Orders Pipelines (Sec. 58)	20
Licence Revocations	20	Certificate Amendments	20
(ii) Electricity Exports		Leave to Sell or Transfer	20
Permits	15	Incident Reports	20
Licence or Permit Amendments	15	(vi) Other	
Licence or Permit Revocations	15	Application for Review	20

The number of copies of interventions or submissions to be provided in response to applications will be specified in the applicable hearing order. Parties who would find the provision of multiple copies an undue financial burden may file one copy, with a request to be excused from multiple filing.

All correspondence with the Board should be addressed to the Secretary, National Energy Board, 444 Seventh Avenue S.W., Calgary, AB T2P 0X8 Telephone (403) 292-4800; Fax (403) 292-5503.

Appendix II

Selected List of Telephone Numbers

(Area Code 403)

General Information	292-4800
Incident Reporting Number	1-800-632-1663
	1-800-NEB-1-ONE
Publication Office	Tel: 299-3562
	Fax: 292-5503
	Email: http://www.orders@neb.gc.ca
Web Site	http://www.neb.gc.ca

Board Members

Chairman	Kenneth Vollman	299-2730
Executive Assistant/Team Leader	Carmen Morin	299-2725
Vice Chairman	Judith A. Snider	299-2737
Assistant	Lillian Handleman	299-2741
Member	Rowland J. Harrison	299-2736
Assistant	Margaret Merta	299-2726
Member	John S. Bulger	299-3666
Assistant	Geraldine Green	299-2728
Member	Jean-Paul Théorêt	299-2724
Assistant	Louise Niro	299-2734
Member	Elizabeth Quarshie	299-2739
Assistant	Louise Niro	299-2734
Member	Deborah Emes	299-2729
Assistant	Geraldine Green	299-2728
Member	Carmen Dybwad	299-2740
Assistant	Margaret Merta	299-2726

Executive Office

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Admin. Assistant	Jan Dane	299-2701

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Engineer	Frank Gareau	299-3178
Economics	Glenn Booth	299-3621

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Regulatory correspondence Administrator	Chantale Painchaud	299-2731

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Counsel	Peter Noonan	299-3552
Counsel	Guisseppa Bentivegna	299-3552
Paralegal/Administrator	Susan Gudgeon	299-2704
Counsel	Margery Fowke	299-2708
Counsel	Lori Ann Boychuk	299-2709
Counsel	Peter Enderwick	292-4104
Paralegal	Helen Benes	299-3551
Counsel	Claire McKinnon	299-2707
Counsel	Christine Beauchemin	292-6489
Counsel	Gino Grondin	292-6495
Counsel	Guy Delisle	299-3937
Paralegal	Caroline Healy	292-6540

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Technical Project Manager, Electronic Regulatory Filing	Margaret Harper	299-3613

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Communications Officer	Denis Tremblay	299-2717
Reception		292-4800

Library

Acting Team Leader	Susan Yanosik	299-3932
Library, Information		299-3561

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<i>TransCanada PipeLines Limited and Trans Québec & Maritimes Pipeline Inc.</i>		
Team Leader	Steve Brown	299-3653
<i>Westcoast Energy Inc. and Trans Mountain Pipe Line Company Ltd.</i>		
Team Leader	Hans Pols	299-3189
<i>Enbridge Pipelines Inc., Trans-Northern Pipelines Inc. and Express Pipeline Ltd.</i>		
Acting Team Leader	Sandy Harrison	299-3673
<i>Alberta Natural Gas Company Ltd, Foothills Pipe Lines Ltd. and Alliance Pipeline Ltd.</i>		
Acting Team Leader	Chantale Simons	299-3888
<i>Cochin Pipe Lines Ltd., Maritimes and Northeast Pipeline Management Ltd., Natural Gas Liquids Pipelines and Exports</i>		
Team Leader	Gurdeep Gill	299-3659

Commodities Business Unit

Business Unit Leader	Terrance Rochefort	299-3646
<i>Commodity Convergence</i>		
Team Leader	Jawed Aziz	299-3630
<i>Gas</i>		
Team Leader	Bill Bingham	299-3198
<i>Oil</i>		
Team Leader	Barry Lynch	299-3197
<i>Electricity</i>		
Team Leader	Julian Emanuel	299-3186
<i>Resource Assessment</i>		
Team Leader	Jim Davidson	299-3135

Operations Business Unit

Business Unit Leader	John McCarthy	299-2766
<i>Health, Safety and Environment</i>		
Team Leader	Wayne Marshall	299-3901
<i>Exploration and Development</i>		
Team Leader	Terry Baker	299-2792
<i>Regulatory Development</i>		
Team Leader	Bharat Dixit	299-3903
<i>Pipeline Accident Investigation</i>		
Team Leader	Paul Trudel	299-2768
<i>Construction Compliance</i>		
Team Leader	Christine van Egmond	299-2783

Corporate Services Business Unit

Business Unit Leader	Valerie Katarey	299-2703
<i>Human Resources Development</i>		
Team Leader	Christine Elder	299-3698
<i>Labour Management</i>		
Team Leader	Earl Schultz	299-3620
<i>Planning and Reporting</i>		
Team Leader	Peter Schnell	292-6137

Appendix III

Section 58 Applications

The Board has approved or is considering several applications under section 58 of the NEB Act involving routine pipeline facilities or the construction of pipelines not exceeding 40 kilometres in length. These matters may be considered by the Board without a public hearing.

Gas Pipelines

Applicants	File/Order Nos.	Application	Est. Cost
Alliance Pipeline Ltd.	File: 3400-A159-3 Order: XG-A159-26-2000	Application dated 11 February; approved on 16 March. Install temporary facilities for the commissioning of its system at Alameda Compressor Station.	212 000
Canadian Hunter Exploration Ltd.	File: 3400-C87-11 Order: XG-C87-20-2000	Application dated 18 February; approved on 28 February. Construct the 340-metre Hiding Creek tie-in in British Columbia.	384 377
Cochin Pipe Lines Ltd.	File: 3400-C18-36 Order: XG-C18-23-2000	Application dated 17 January; approved on 7 March. Install a lateral connection at Corunna, Ontario.	48 000
Consumers' Gas (Canada) Ltd.	File: 3400-C283-14 Order: XG-C283-2-2000	Application dated 18 December; approved on 18 January. Install a sales tap in the City of Vaughan, Ontario.	10 000
Foothills Pipe Lines Ltd.	File: 3400-F6-31 Order: XG-F6-5-2000	Application dated 21 December; approved on 20 January. Install a clamp for a vibrating pipe spool at Compressor Station 392.	11 000
	File: 3400-F6-32 Order: XG-F6-27-2000	Application dated 2 March; approved on 17 March. Five projects.	744 000
Foothills Pipe Lines Ltd., on behalf of Foothills Pipe Lines (Alta.) Ltd.	File 3400-F007-4 Order: XG-F7-16-2000	Application dated 19 November; approved on 8 March. Expansion of Decompression/Recompression Facilities.	1 700 000
Northstar Energy Corporation	File: 3400-N150-2 Order: XG-N150-6-2000	Application dated 20 December; approved on 14 February. Construct a 650-metre long natural gas pipeline.	100 000
Pioneer Natural Resources Canada Inc.	File: 3400-P177-1-1 Order: AO-1-XG-P177-41-99	Application dated 1 February; approved on 11 February. Amend Order XG-P177-41-99 to add a tie-in to the East Chinchaga Pipeline.	5 000
Shiha Energy Transmission Ltd.	File: 3400-S56-2 Order: XG-S56-19-2000	Application dated 15 February; approved on 23 February. Tie-in facilities at kilometre post 12 in British Columbia.	100 000
Suprex Energy Corporation	File: 3400-S65-1 Order: XG-S65-1-2000	Application dated 30 November; approved on 20 January. Construct a meter station and a 775-metre natural gas pipeline from the Coutts area of Alberta to the State of Montana.	100 000
TransCanada PipeLines Limited	File: 3400-T1-163-2 Order: XG-T1-3-2000	Application dated 29 December; approved on 13 January. Install a moisture analyser at the Nanticoke Sales Meter Station.	73 000
	File: 3400-T1-179 Order: XG-T1-4-2000	Application dated 22 December; approved on 21 January. Construct additional office facilities at Compressor Station 130.	207 000
	File: 3400-T1-178 Order: XG-T1-7-2000	Application dated 15 December; approved on 27 January. Pipe replacement at MLV 115 and 116.	858 000

Gas Pipelines

Applicants	File/Order Nos.	Application	Est. Cost
TransCanada PipeLines Limited, B.C. System	File: 3400-T1-177 Order: XG-T1-10-2000	Application dated 1 December; approved on 3 February. Modifications at Compressor stations.	899 000
	File: 3400-T1-180 Order: XG-T1-22-2000	Application dated 11 February; approved on 2 March. Soil remediation at Compressor Station 99.	1 684 000
	File: 3400-A2-26 Order: XG-A2-13-2000	Application dated 10 January; approved on 10 February. Install discharge unit valves at Station 1 and install power supply at Stations 2A and 2B.	607 000
	File: 3400-A2-26 Order: XG-A2-15-2000	Application dated 10 January; approved on 25 February. Upgrade valve actuator power gas supply.	50 000
Westcoast Energy Inc.	File: 3400-W5-236 Order: XG-W5-11-2000	Application dated 15 December; approved on 3 February. Three projects in the Fort Nelson Field Service Area.	910 000
	File: 3400-W5-235 Order: XG-W5-12-2000	Application dated 7 December; approved on 17 February. Four projects at the Fort Nelson Gas Plant.	760 000
	File: 3400-W5-238 Order: XG-W5-14-2000	Application dated 13 January; approved on 11 February. Install 18 metres of connecting pipe to the Junior Pipeline situated approximately 70 kilometres east of Fort Nelson.	330 000
	File: 3400-W5-239 Order: XG-W5-17-2000	Application dated 15 January; approved on 1 March. Casing upgrade; add groundbed; add oil vent mist eliminators; add solar starting air separator.	157 000
	File: 3400-W5-239 Order: XG-W5-18-2000	Application dated 14 January; approved on 31 March. Install a Rundown Tank and Pump at the Sikanni Gas Plant.	80 000
	File: 3400-W5-237 Order: XG-W5-21-2000	Application dated 20 December; approved on 25 February. Install six corrosion inhibitor tanks with associated pumps on the Helmet/Peggo Gas Gathering System and a pig launcher and receiver with associated flare stack systems on the East July Lake Pipeline.	570 000
	File: 3400-W5-241 Order: XG-W5-25-2000	Application dated 1 February; approved on 15 March. Tommy Lakes slide monitoring.	80 000
	File: 3400-W5-241 and 3401-W5-1 Order: XG-W5-29-2000	Application dated 10 February; approved on 28 March. Five projects.	136 000

Oil Pipelines

Applicants	File/Order Nos.	Application	Est. Cost
Amoco Canada Resources Company	File: 3400-A10-4 Order: XO-A10-27-99	Application dated 12 August; approved on 14 January. Construct a brine pond and pond covers at the Windsor Storage Terminal.	3 971 000
	File: 3400-A10-5 Order: XO-A10-8-2000	Application dated 21 November; approved on 24 January. Modify the Flare Knockout Drum V-107 heating system at the Windsor Storage Terminal.	145 000
Amoco, on behalf of Dome NGL Pipeline Limited	File: 3400-D7-19 Order: XO-D7-8-2000	Application dated 3 February; approved on 15 March. Modify the pipeline launching trap at the Windsor terminal.	25 000
Enbridge PipeLines Inc.	File: 3400-E101-17 Order: XO-E101-2-2000	Applications dated 11 and 17 November; approved on 21 January. Twenty three projects.	3 803 400
	File: 3400-E101-21 & 22 Order: XO-E101-4-2000	Applications dated 22 and 30 December; approved on 28 February. Modify the condensate receipt facilities at the Edmonton Terminal and install rectifiers and cathodic protection groundbeds for lines 7, 8 and 9 near Millgrove Junction in Ontario.	2 527 300
	File: 3400-E101-23 Order: XO-E101-7-2000	Application dated 16 February; approved on 3 March. Joarcam Pipeline Ltd. connection to the Edmonton Terminal Station sour pools.	94 400
Enbridge PipeLines (NW) Inc.	File: 3400-E102-4 Order: XO-E102-3-2000	Application dated 22 December; approved on 26 January. Install slope instrumentation.	47 800
Trans Mountain Pipe Line Company Ltd.	File: 3400-T4-69 Order: XO-T4-01-2000	Application dated 4 October; approved on 11 January. Thirty five projects.	5 668 000
	File: 3400-T4-70 Order: XO-T4-6-2000	Application dated 17 January; approved on 10 February. Cut-outs and replacement of pipe.	260 000
	File: 3400-T4-69 Order: XO-T4-16-2000	Application dated 4 October; approved on 21 February. Kamloops Containment, Phase 1.	3 600 000
Trans-Northern Pipelines Inc.	File: 3400-T2-40 Order: XO-T2-5-2000	Application dated 8 November; approved on 25 January. Replace pipes in the Township of Haldimand and in the City of Oshawa.	150 000

Profile

The National Energy Board is a federal regulatory tribunal that was created on 2 November 1959 by an Act of Parliament. Over the course of its history, it has played an important role in the development of Canada's energy sector.

The Board's regulatory powers under the *National Energy Board Act* include the granting of authorizations for the exportation of oil, natural gas and electricity, the certification of interprovincial and international pipelines and designated interprovincial and international power lines, and the setting of tolls and tariffs for oil and gas pipelines under federal jurisdiction.

In addition to its regulatory functions, the Board is responsible for advising the government on the development and use of energy resources.

The Act also requires that the Board keep under review the Canadian supply of all major energy commodities, with emphasis on electricity, oil, natural gas, and the by-products derived from oil and natural gas, as well as the demand for Canadian energy in Canada and in export markets.

The Board's responsibilities under the *Canada Oil and Gas Operations Act* and certain provisions of the *Canada Petroleum Resources Act* encompass the regulation of exploration for and the development and production of oil and gas on Frontier Lands in a manner that promotes safety of the worker, protection of the environment, and conservation of hydrocarbon resources.

The Board also has specific responsibilities under the *Northern Pipeline Act* and the *Energy Administration Act*. In addition, Board inspectors have been appointed safety officers by the Ministry of Labour to administer Part II of the *Canada Labour Code*.

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